FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

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PART 2

JUSTIFICATION OF BUDGET ESTIMATES

Agency for International Development:

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Latin America and the Caribbean 945
Centrally Funded Programs 1359

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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA

Congressional Presentation
Fiscal year 1987
ANNEX I

Africa

AFRICA

Responsible Officer:

Mark L Edelman
MARK L. EDELMAN
Assistant Administrator
Bureau for Africa

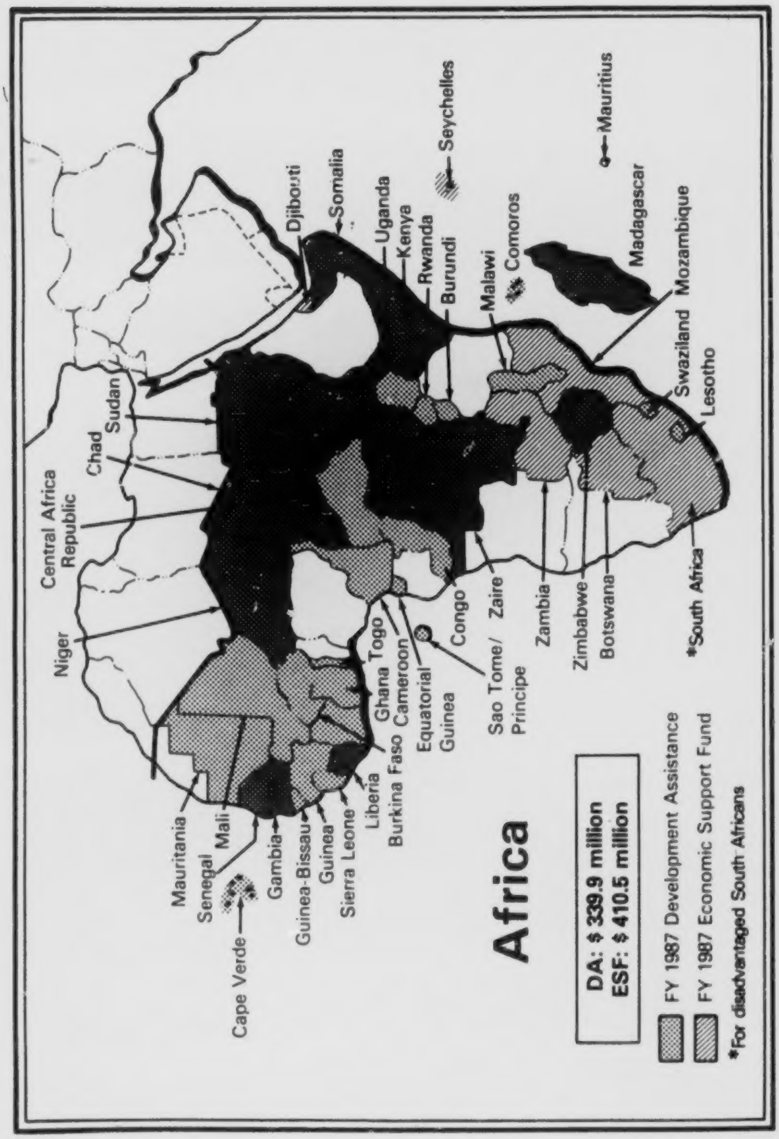
ANNEX I

Annex I presents to the Congress all the Development Assistance (DA) and Economic Support Fund programs (ESF) proposed for Africa for which A.I.D. is requesting funds for FY 1987.

The annex begins with a summary table which provides a breakout by country and appropriation account of the Africa region's funding requirements from FY 1984 to FY 1987. There is also a regional summary table showing economic and social data for African countries that receive either A.I.D. DA or ESF. Following these tables is a regional narrative which provides a summary statement of the Agency's programs in Africa. Thereafter follows a description of the DA programs with country narratives which describes the total A.I.D. program, including those projects for which funds are being requested in FY 1987. These narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1987. The Chad, Kenya, Liberia, Madagascar, Niger, Senegal, Somalia, Sudan, Zaire, Zimbabwe and Southern Africa Regional narratives include a description of both the DA and ESF programs in those countries. Narratives for the seven programs that receive only ESF funds in FY 1987 are also included.

Note that the regional projects presented in this annex are different from centrally funded activities, which are described in Annex IV.

The final section of Annex I includes tables on terminating programs.


Africa
DA: $ 339.9 million
ESF: $ 410.5 million
▨ FY 1987 Development Assistance
▨ FY 1987 Economic Support Fund
*For disadvantaged South Africans
Cape Verde
Mauritania
Senegal
Mali
Gambia
Guinea-Bissau
Guinea
Sierra Leone
Liberia
Burkina Faso
Ghana
Togo
Cameroon
Equatorial Guinea
Sao Tome/ Principe
Niger
Central Africa Republic
Chad
Sudan
Congo
Zaire
Zambia
Zimbabwe
Botswana
*South Africa
Djibouti
Somalia
Uganda
Kenya
Rwanda
Burundi
Malawi
Comoros
Seychelles
Mauritius
Madagascar
Mozambique
Swaziland
Lesotho

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*Receives both Development Assistance and Economic Support Funds in FY 1987.

**Receives only Economic Support Funds in FY 1987.

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SUMMARY OF PROGRAMS
BY COUNTRY AND
APPROPRIATION

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-87

REGION: BUREAU FOR AFRICA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
BOTSWANA										
1984	10,800	5,533	---	---	---	4,467	---	---	800	---
1985	10,000	---	---	---	---	---	---	---	10,000	---
1986	7,656	---	---	---	---	---	---	---	7,656	---
1987	8,000	---	---	---	---	---	---	---	8,000	---
BURKINA										
1984	40	---	---	---	---	---	---	40	---	---
1985	2,790	---	---	---	---	---	---	2,790	---	---
1986	1,000	---	---	---	---	---	---	1,000	---	---
1987	1,000	---	---	---	---	---	---	1,000	---	---
BURUNDI										
1984	3,661	3,161	---	---	---	---	500	---	---	---
1985	3,546	2,021	---	---	---	---	1,525	---	---	---
1986	2,019	1,350	---	---	---	---	669	---	---	---
1987	2,000	750	---	---	---	1,250	---	---	---	---
CAMEROON										
1984	22,468	18,403	---	820	---	3,245	---	---	---	---
1985	19,622	14,120	---	---	---	5,502	---	---	---	---
1986	20,790	9,060	---	400	---	11,290	40	---	---	---
1987	21,890	13,338	---	2,000	---	6,357	195	---	---	---
CAPE VERDE										
1984	2,000	---	---	---	---	---	---	2,000	---	---
1985	2,000	---	---	---	---	---	---	2,000	---	---
1986	2,000	---	---	---	---	---	---	2,000	---	---
1987	2,000	---	---	---	---	---	---	2,000	---	---
CENTRAL AFR REPUBLIC										
1984	1,200	1,200	---	---	---	---	---	---	---	---
1985	2,000	2,000	---	---	---	---	---	---	---	---
1986	2,000	2,000	---	---	---	---	---	---	---	---
1987	2,000	2,000	---	---	---	---	---	---	---	---
CHAD										
1984	6,500	---	---	---	---	---	---	3,500	3,000	---
1985	14,375	---	---	---	---	---	---	9,075	5,000	---
1986	8,785	---	---	---	---	---	---	4,000	4,785	---
1987	11,000	---	---	---	---	---	---	4,000	7,000	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
COMOROS										
1984	780	780	---	---	---	---	---	---	---	---
1985	400	400	---	---	---	---	---	---	---	---
1986	750	750	---	---	---	---	---	---	---	---
1987	700	700	---	---	---	---	---	---	---	---
CONGO										
1984	1,000	1,000	---	---	---	---	---	---	---	---
1985	1,000	812	---	188	---	---	---	---	---	---
1986	475	475	---	---	---	---	---	---	---	---
1987	500	188	---	---	---	312	---	---	---	---
DJIBOUTI										
1984	3,000	---	---	---	---	---	---	---	3,000	---
1985	3,500	---	---	---	---	---	---	---	3,500	---
1986	3,350	---	---	---	---	---	---	---	3,350	---
1987	5,000	---	---	---	---	---	---	---	5,000	---
EQUATORIAL GUINEA										
1984	1,000	1,000	---	---	---	---	---	---	---	---
1985	1,000	1,000	---	---	---	---	---	---	---	---
1986	1,000	1,000	---	---	---	---	---	---	---	---
1987	1,000	1,000	---	---	---	---	---	---	---	---
GAMBIA										
1984	3,737	---	---	---	---	---	---	3,737	---	---
1985	4,581	---	---	---	---	---	---	4,581	---	---
1986	4,000	---	---	---	---	---	---	4,000	---	---
1987	4,000	---	---	---	---	---	---	4,300	---	---
GHANA										
1984	---	---	---	---	---	---	---	---	---	---
1985	2,180	---	2,180	---	---	---	---	---	---	---
1986	3,000	---	3,000	---	---	---	---	---	---	---
1987	3,000	1,200	1,800	---	---	---	---	---	---	---
GUINEA										
1984	1,650	1,500	---	150	---	---	---	---	---	---
1985	2,600	2,600	---	---	---	---	---	---	---	---
1986	3,730	3,730	---	---	---	---	---	---	---	---
1987	3,730	3,730	---	---	---	---	---	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

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COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
GUINEA-BISSAU										
1984	2,040	1,040	---	---	---	1,000	---	---	---	---
1985	3,000	2,500	---	---	---	500	---	---	---	---
1986	2,000	2,000	---	---	---	---	---	---	---	---
1987	2,000	2,000	---	---	---	---	---	---	---	---
KENYA										
1984	53,299	29,699	2,300	---	---	---	300	---	21,000	---
1985	39,159	6,924	4,100	2,415	---	---	720	---	25,000	---
1986	35,234	10,357	7,900	2,516	---	315	191	---	14,355	---
1987	39,812	6,600	2,039	2,500	---	250	6,423	---	22,000	---
LESOTHO										
1984	10,014	4,174	40	1,450	---	4,350	---	---	---	---
1985	10,300	5,851	---	1,294	---	3,155	---	---	---	---
1986	9,600	4,522	---	---	---	5,138	---	---	---	---
1987	9,660	5,460	---	---	---	4,200	---	---	---	---
LIBERIA										
1984	47,961	7,324	---	1,342	---	2,295	2,000	---	35,000	---
1985	58,385	5,944	50	3,051	---	2,817	3,623	---	43,000	---
1986	43,377	5,067	50	4,500	---	3,950	1,100	---	28,710	---
1987	53,780	4,980	50	4,200	---	3,450	1,100	---	40,000	---
MADAGASCAR										
1984	---	---	---	---	---	---	---	---	---	---
1985	5,000	2,000	---	---	---	---	---	---	3,000	---
1986	3,871	1,000	---	---	---	---	---	---	2,871	---
1987	5,000	1,000	---	---	---	---	---	---	4,000	---
MALAWI										
1984	7,600	3,000	1,400	1,000	---	---	2,200	---	---	---
1985	24,700	4,200	1,000	2,000	---	---	2,500	---	15,000	---
1986	9,200	6,100	880	1,920	---	---	300	---	---	---
1987	9,220	3,220	3,000	3,000	---	---	---	---	---	---
MALI										
1984	11,200	---	---	---	---	---	---	11,200	---	---
1985	28,458	---	---	---	---	---	---	10,458	18,000	---
1986	9,000	---	---	---	---	---	---	9,000	---	---
1987	10,000	---	---	---	---	---	---	10,000	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
MAURITANIA										
1984	3,390	---	---	---	---	---	---	3,390	---	---
1985	9,362	---	---	---	---	---	---	9,362	---	---
1986	3,000	---	---	---	---	---	---	3,000	---	---
1987	3,000	---	---	---	---	---	---	3,000	---	---
MAURITIUS										
1984	4,000	---	---	---	---	---	---	---	4,000	---
1985	7,000	---	---	---	---	---	---	---	7,000	---
1986	1,914	---	---	---	---	---	---	---	1,914	---
1987	3,000	---	---	---	---	---	---	---	3,000	---
MOZAMBIQUE										
1984	8,000	1,000	---	---	---	---	---	---	7,000	---
1985	13,000	---	---	---	---	---	---	---	13,000	---
1986	9,570	---	---	---	---	---	---	---	9,570	---
1987	15,000	---	---	---	---	---	---	---	15,000	---
NIGER										
1984	24,612	---	---	---	---	---	---	19,612	5,000	---
1985	25,000	---	---	---	---	---	---	20,000	5,000	---
1986	20,785	---	---	---	---	---	---	16,000	4,785	---
1987	24,000	---	---	---	---	---	---	17,000	7,000	---
RWANDA										
1984	4,800	3,000	1,800	---	---	---	---	---	---	---
1985	16,238	5,000	1,238	---	---	---	---	---	12,000	---
1986	6,000	6,000	---	---	---	---	---	---	---	---
1987	6,000	6,000	---	---	---	---	---	---	---	---
SAO TOME/PRINCIPE										
1984	---	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---	---
1986	600	600	---	---	---	---	---	---	---	---
1987	300	300	---	---	---	---	---	---	---	---
SENEGAL										
1984	32,885	---	---	---	---	---	---	22,885	10,000	---
1985	37,104	---	---	---	---	---	---	22,104	15,000	---
1986	30,484	---	---	---	---	---	---	19,000	11,484	---
1987	35,000	---	---	---	---	---	---	20,000	15,000	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

CP-87

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
SEYCHELLES										
1984	2,000	---	---	---	---	---	---	---	2,000	---
1985	2,000	---	---	---	---	---	---	---	2,000	---
1986	1,914	---	---	---	---	---	---	---	1,914	---
1987	2,500	---	---	---	---	---	---	---	2,500	---
SIERRA LEONE										
1984	1,000	1,000	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---	---
1986	1,300	1,300	---	---	---	---	---	---	---	---
1987	1,300	1,300	---	---	---	---	---	---	---	---
SOMALIA										
1984	49,940	13,000	1,940	---	---	---	---	---	35,000	---
1985	50,737	12,250	2,550	2,200	---	2,737	1,000	---	30,000	---
1986	36,783	8,434	2,838	1,500	---	2,000	---	---	22,011	---
1987	48,410	11,438	2,772	1,200	---	3,000	---	---	30,300	---
SOUTH AFRICA										
1984	---	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---	---
1986	4,785	---	---	---	---	---	---	---	4,785	---
1987	10,000	---	---	---	---	---	---	---	10,000	---
SUDAN										
1984	146,281	15,681	700	2,100	---	---	2,300	---	120,000	5,500
1985	142,000	23,313	540	1,140	---	---	3,007	---	114,000	---
1986	87,812	25,200	1,050	350	---	---	1,400	---	59,812	---
1987	118,000	23,005	2,250	50	---	---	2,695	---	90,000	---
SWAZILAND										
1984	5,690	1,828	---	---	---	3,862	---	---	---	---
1985	8,112	1,985	---	2,130	---	3,997	---	---	---	---
1986	7,600	1,360	---	900	---	4,740	600	---	---	---
1987	6,500	2,000	---	1,000	---	3,500	---	---	---	---
TANZANIA										
1984	1,190	---	---	---	---	1,190	---	---	---	---
1985	---	---	---	---	---	---	---	---	---	---
1986	---	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
TOGO										
1984	3,900	1,608	---	2,292	---	---	---	---	---	---
1985	3,100	1,492	---	1,608	---	---	---	---	---	---
1986	3,060	3,060	---	---	---	---	---	---	---	---
1987	3,060	1,749	560	751	---	---	---	---	---	---
UGANDA										
1984	9,000	8,000	---	1,000	---	---	---	---	---	---
1985	7,940	5,890	---	2,050	---	---	---	---	---	---
1986	3,550	3,000	---	550	---	---	---	---	---	---
1987	5,350	5,350	---	---	---	---	---	---	---	---
ZAIRE										
1984	20,996	7,404	1,592	2,000	---	---	---	---	10,000	---
1985	34,359	12,720	---	11,210	---	14	---	---	10,415	---
1986	29,620	12,300	2,080	5,570	---	100	---	---	9,570	---
1987	33,300	11,100	1,100	4,100	---	800	200	---	16,000	---
ZAMBIA										
1984	21,322	---	---	---	---	---	---	---	21,322	---
1985	40,000	---	---	---	---	---	---	---	40,000	---
1986	15,000	---	---	---	---	---	---	---	15,000	---
1987	20,000	---	---	---	---	---	---	---	20,000	---
ZIMBABWE										
1984	40,000	---	---	---	---	---	---	---	40,000	---
1985	28,000	---	---	---	---	---	---	---	28,000	---
1986	20,570	5,000	4,000	---	---	2,000	---	---	9,570	---
1987	21,000	5,000	4,000	---	---	1,000	---	---	11,000	---
SAHEL REG PROGRAM										
1984	40,255	---	---	---	---	---	---	40,255	---	---
1985	22,930	---	---	---	---	---	---	22,930	---	---
1986	19,038	---	---	---	---	---	---	19,038	---	---
1987	19,000	---	---	---	---	---	---	19,000	---	---
SOUTHERN AFR REG										
1984	18,996	---	---	---	---	3,000	---	---	15,996	---
1985	21,926	---	---	---	---	3,000	---	---	18,926	---
1986	32,550	---	---	---	---	3,840	---	---	28,710	---
1987	33,000	---	---	---	---	3,000	---	---	30,000	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR AFRICA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
AFRICA REGIONAL										
1984	61,624	8,473	5,773	14,915	---	12,418	9,820	---	---	11,225
1985	127,188	15,308	3,365	17,310	3,500	13,697	7,758	---	---	66,250
1986	196,192	25,380	4,402	14,605	4,000	14,185	6,229	---	47,950	79,541
1987	145,390	34,592	5,429	10,847	2,000	9,750	7,772	---	75,000	---
TOTAL										
1984	689,831	138,608	15,545	27,069	---	35,827	16,320	106,619	333,118	15,725 c/
1985	836,290 a/	129,230	15,023	46,596	3,500	35,419	20,133	103,300	417,839	66,250 d/
1986	705,024 b/	138,745	26,100	32,911	4,000	47,559	10,529	77,038	299,702	79,541 e/
1987	730,402	148,000	23,000	29,648	2,000	36,869	20,385	80,000	410,500	---

a/ Includes $3.4 million reobligated under Deob/Reob Authority.
b/ Excludes $30.3 million deobligated in FY 1985 and planned for reobligation in FY 1986 under Deob/Reob Authority.
c/ Migration and Refugee Assistance.
d/ African Famine Supplemental.
e/ Includes $10.8 million Migration and Refugee Assistance and $68.7 million African Famine Supplemental.

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ECONOMIC AND SOCIAL DATA (REGIONAL SUMMARY)

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: AFRICA

	POPULATION			HEALTH			EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
BOTSWANA	1,068(85)	3.3% (85)	64(85)	9,875(75)	45% (75)	63(85)	41% (71)	45% (71)	2(82)	2(84)
BURKINA FASO (UPPER VOLTA	6,907(85)	2.7% (85)	45(85)	48,512(80)	30% (80)	176(85)	9% (75)	43% (75)	50(82)	24(84)
BURUNDI	4,673(85)	2.8% (85)	48(85)	45,025(74)	24% (80)	115(85)	27% (80)	52% (80)	195(82)	165(84)
CAMEROON	9,737(85)	2.8% (85)	55(85)	13,990(80)	26% (76)	128(85)	41% (76)	47% (80)	61(82)	21(84)
CAPE VERDE	312(85)	1.9% (85)	63(85)	5,479(79)	50% (80)	89(85)	37% (70)	48% (60)	516(82)	80(84)
CENTRAL AFRICAN REPUBLIC	2,664(85)	3.0% (85)	49(85)	26,750(79)	17% (78)	134(85)	33% (80)	37% (62)	49(82)	4(84)
CHAD	5,036(85)	3.8% (85)	44(85)	47,644(78)	30% (80)	140(85)	6% (63)	.% .	10(82)	4(84)
COMOROS	469(85)	2.9% (85)	53(85)	15,950(78)	.% .	91(85)	58% (66)	.% .	324(82)	173(84)
CONGO	1,798(85)	3.0% (85)	63(85)	5,507(78)	25% (80)	110(85)	16% (61)	43% (74)	16(82)	5(84)
DJIBOUTI	297(85)	2.5% (85)	48(85)	1,964(82)	45% (80)	132(85)	.% .	.% .	138(82)	17(84)
EQUATORIAL GUINEA	350(85)	2.6% (85)	44(85)	5,130(68)	.% .	132(85)	37% (80)	.% .	107(82)	13(84)
GAMBIA, THE	751(85)	3.5% (84)	40(85)	12,306(78)	12% (70)	191(85)	20% (80)	.% .	159(82)	63(84)
GHANA	13,004(85)	4.1% (85)	58(85)	7,161(81)	47% (80)	75(85)	30% (70)	44% (70)	198(82)	56(84)
GUINEA	5,597(85)	2.4% (85)	38(85)	17,223(77)	17% (80)	153(85)	9% (65)	.% .	125(82)	24(84)
GUINEA-BISSAU	858(85)	1.9% (85)	38(85)	8,841(79)	10% (80)	137(85)	19% (80)	.% .	54(82)	24(84)
KENYA	20,194(85)	4.1% (85)	58(85)	10,504(78)	26% (80)	59(85)	47% (80)	.% .	295(82)	34(84)
LESOTHO	1,512(85)	2.6% (85)	54(85)	18,642(77)	14% (80)	98(85)	59% (66)	45% (66)	81(82)	49(84)
LIBERIA	2,232(85)	3.3% (85)	52(85)	8,549(81)	20% (74)	127(85)	25% (80)	42% (74)	327(82)	19(84)
MADAGASCAR	9,941(85)	2.8% (85)	50(85)	10,220(78)	21% (80)	101(85)	.% .	56% (75)	25(82)	17(84)
MALAWI	7,056(85)	3.3% (85)	45(85)	47,491(77)	41% (80)	159(85)	22% (66)	46% (77)	154(82)	58(84)
MALI	7,721(85)	2.3% (85)	46(85)	22,130(80)	6% (80)	173(85)	9% (76)	60% (76)	22(82)	6(84)
MAURITANIA	1,656(85)	2.1% (85)	47(85)	14,505(77)	84% (80)	136(85)	17% (76)	55% (78)	4(82)	2(84)
MAURITIUS	1,011(85)	0.9% (85)	67(85)	2,007(79)	99% (80)	25(85)	79% (80)	51% (72)	894(82)	528(84)
MOZAMBIQUE	13,638(85)	2.8% (85)	52(85)	33,342(80)	10% (75)	158(85)	33% (80)	53% (70)	27(82)	17(84)
NIGER	6,491(85)	3.4% (85)	46(85)	38,791(78)	33% (80)	135(85)	10% (80)	50% (78)	44(82)	5(84)
RWANDA	6,249(85)	3.8% (85)	47(85)	31,335(80)	54% (80)	125(85)	50% (80)	.% .	371(82)	223(84)
SAO TOME AND PRINCIPE	105(85)	2.0% (85)	66(85)	2,130(78)	80% (82)	65(85)	57% (81)	.% .	249(82)	106(84)
SENEGAL	6,755(85)	3.3% (85)	47(85)	13,783(78)	42% (80)	102(85)	6% (61)	51% (73)	175(84)	33(84)
SEYCHELLES	66(85)	1.2% (85)	70(85)	2,322(79)	82% (80)	14(85)	58% (71)	59% (80)	1,276(81)	221(84)
SIERRA LEONE	3,883(85)	2.6% (85)	39(85)	17,786(79)	16% (80)	195(85)	7% (63)	56% (63)	88(82)	51(84)
SOMALIA	7,595(85)	3.0% (85)	43(85)	15,631(80)	33% (80)	163(85)	6% (80)	56% (75)	16(82)	8(84)
SUDAN	22,972(85)	-0.2% (85)	48(85)	8,928(80)	46% (78)	114(85)	15% (66)	47% (73)	29(82)	9(84)
SWAZILAND	750(85)	3.4% (85)	52(85)	7,896(78)	37% (80)	113(85)	55% (76)	50% (76)	59(83)	42(84)
TOGO	3,023(85)	3.1% (85)	49(85)	18,101(79)	42% (80)	107(85)	16% (70)	43% (70)	169(82)	52(84)
UGANDA	14,689(85)	3.1% (85)	49(85)	26,812(77)	35% (75)	113(85)	52% (80)	.% .	124(82)	61(84)
ZAIRE	30,505(85)	2.7% (85)	52(85)	13,943(79)	18% (82)	106(85)	55% (80)	.% .	184(82)	13(84)
ZAMBIA	6,832(85)	3.2% (85)	52(85)	7,671(79)	67% (80)	107(85)	47% (69)	44% (77)	15(82)	9(84)
ZIMBABWE	8,678(85)	3.5% (85)	57(85)	5,900(80)	31% (80)	77(85)	69% (80)	.% .	99(82)	21(84)
CP SUMMARY	237,075 •	2.8% #	50 #	8,125	31% #	117 #	33% #	49% #	177 ●	59 ●

• = SUM, ● = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION). OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: AFRICA

	POPULATION		HEALTH				EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
ANGOLA	7,948(85)	2.7% (85)	44(85)	16,645(73)	21% (80)	143(85)	.% .	.% .	25(82)	7(84)
BENIN	4,015(85)	3.1% (85)	49(85)	16,980(80)	20% (80)	143(85)	28% (80)	54% (79)	165(82)	35(84)
ETHIOPIA	42,266(85)	3.8% (85)	48(85)	69,387(78)	15% (80)	168(85)	13% (74)	57% (78)	67(82)	34(84)
IVORY COAST	10,090(85)	4.0% (85)	51(85)	21,028(75)	66% (80)	93(85)	35% (80)	55% (75)	130(82)	31(84)
NAMIBIA	1,108(85)	3.1% (85)	62(85)	. .	.% .	111(85)	38% (60)	60% (60)	2(82)	1(84)
NIGERIA	102,783(85)	2.6% (85)	50(85)	12,546(79)	.%	127(85)	34% (80)	49% (63)	176(82)	105(84)
SOUTH AFRICA	32,465(85)	2.4% (85)	62(85)	1,983(73)	.% .	86(85)	57% (60)	51% (70)	32(82)	27(84)
TANZANIA, UNITED REPUBLIC	21,701(85)	3.2% (85)	53(85)	17,742(77)	34% (80)	110(85)	46% (78)	50% (67)	50(82)	23(84)
NCP SUMMARY	222,376 •	2.9% #	52 #	8,523	26% #	126 #	35% #	52% #	81 ●	33 ●
REGION SUMMARY	459,451 •	2.9% #	51 #	8,184	30% #	121 #	34% #	51% #	160 ●	55 ●

• = SUM, ● = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION). OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: AFRICA

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
AID RECIPIENT COUNTRIES								
BOTSWANA	920 (83)	22.0 (79)	42.8 (82)	3.7 (83)	18.5 (83)	1.9 (83)	1.3 (83)	10.9 (83)
BURKINA FASO (UPPER VOLTA)	180 (83)	. .	. .	13.9 (82)	8.9 (83)	0.7 (83)	1.9 (83)	15.2 (83)
BURUNDI	240 (83)	. .	. .	. .	7.5 (83)	0.6 (83)	0.5 (83)	10.9 (83)
CAMEROON	820 (83)	. .	. .	18.8 (83)	24.4 (83)	0.3 (83)	0.1 (83)	1.9 (83)
CAPE VERDE	320 (83)	. .	. .	. .	4.9 (83)	. .	. .	. .
CENTRAL AFRICAN REPUBLIC	280 (83)	. .	. .	15.1 (83)	1.5 (83)	0.2 (83)	0.1 (83)	13.6 (83)
CHAD	79 (82)	. .	. .	0.8 (83)	5.3 (83)	. .	. .	. .
COMOROS	339 (82)	. .	. .	. .	0.4 (83)	. .	. .	. .
CONGO	1,230 (83)	. .	. .	22.3 (83)	1.1 (83)	0.1 (83)	0.1 (83)	5.2 (83)
DJIBOUTI	480 (82)	. .	. .	. .	5.0 (83)	. .	. .	. .
EQUATORIAL GUINEA	. .	. .	. .	. .	1.2 (83)	. .	. .	. .
GAMBIA, THE	290 (83)	. .	124.2 (78)	5.7 (81)	5.1 (83)	2.5 (83)	3.0 (83)	21.8 (83)
GHANA	310 (83)	42.5 (76)	491.0 (83)	16.3 (83)	7.6 (83)	0.2 (83)	0.2 (83)	2.8 (83)
GUINEA	300 (83)	. .	. .	. .	7.0 (83)	0.4 (83)	0.3 (83)	3.9 (83)
GUINEA-BISSAU	170 (82)	. .	. .	21.0 (83)	2.6 (83)	. .	. .	. .
KENYA	340 (83)	26.7 (78)	133.0 (78)	33.1 (83)	103.2 (83)	1.8 (83)	1.1 (83)	6.3 (83)
LESOTHO	460 (83)	. .	. .	53.0 (83)	21.0 (83)	3.1 (83)	3.4 (83)	15.0 (83)
LIBERIA	480 (83)	48.3 (79)	71.4 (79)	7.2 (83)	75.5 (83)	11.5 (83)	8.7 (83)	19.0 (83)
MADAGASCAR	310 (83)	11.8 (74)	74.7 (74)	8.4 (79)	9.0 (83)	0.3 (83)	0.3 (83)	8.5 (83)
MALAWI	210 (83)	48.7 (77)	190.5 (77)	25.5 (82)	8.3 (83)	0.6 (83)	0.4 (83)	8.7 (83)
MALI	160 (83)	. .	137.2 (81)	7.6 (83)	15.5 (83)	1.3 (83)	1.3 (83)	18.3 (83)
MAURITANIA	480 (83)	. .	. .	11.7 (83)	12.6 (83)	1.7 (83)	2.6 (83)	24.3 (83)
MAURITIUS	1,160 (83)	58.6 (80)	215.5 (83)	22.6 (83)	6.1 (83)	0.5 (83)	0.2 (83)	3.5 (83)
MOZAMBIQUE	397 (82)	. .	. .	. .	9.7 (83)	0.2 (83)	0.3 (83)	4.2 (83)
NIGER	240 (83)	. .	. .	19.6 (83)	26.6 (83)	1.7 (83)	1.0 (83)	10.9 (83)
RWANDA	270 (83)	. .	105.3 (79)	3.4 (83)	8.7 (83)	0.5 (83)	0.6 (83)	9.5 (83)
SAO TOME AND PRINCIPE	310 (83)	. .	. .	. .	0.2 (83)	. .	. .	. .
SENEGAL	440 (83)	. .	. .	26.2 (83)	33.5 (83)	1.3 (83)	1.8 (83)	12.3 (83)
SEYCHELLES	. .	5.3 (77)	28.8 (77)	54.6 (83)	2.4 (83)	. .	. .	. .
SIERRA LEONE	330 (83)	65.3 (81)	536.7 (81)	9.2 (83)	8.7 (83)	0.7 (83)	0.7 (83)	5.4 (83)
SOMALIA	250 (83)	. .	. .	24.7 (83)	100.3 (83)	9.2 (83)	4.4 (83)	31.7 (83)
SUDAN	400 (83)	21.3 (74)	216.1 (74)	28.0 (83)	210.6 (83)	2.4 (83)	1.8 (83)	11.0 (83)
SWAZILAND	870 (83)	71.0 (75)	11.5 (75)	6.0 (83)	8.0 (83)	1.2 (83)	1.5 (83)	5.5 (83)
TOGO	280 (83)	. .	. .	19.2 (83)	7.7 (83)	1.0 (83)	0.9 (83)	16.0 (83)
UGANDA	220 (83)	. .	280.0 (82)	26.6 (81)	7.9 (83)	0.2 (83)	0.1 (83)	4.0 (83)
ZAIRE	170 (83)	49.2 (79)	201.4 (79)	7.7 (83)	40.0 (83)	0.9 (83)	0.6 (83)	7.2 (83)
ZAMBIA	580 (83)	91.6 (81)	352.0 (81)	13.9 (83)	27.9 (83)	0.8 (83)	0.6 (83)	5.9 (83)
ZIMBABWE	740 (83)	51.5 (82)	255.9 (82)	37.6 (83)	64.1 (83)	1.1 (83)	1.0 (83)	3.5 (83)
CP SUMMARY	297	24.7	75.6	7.9	908.5 *	0.4	0.4	6.7

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: AFRICA

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
ANGOLA	888 (83)	. .	. .	. .	1.1 (83)	0.0 (83)	0.0 (83)	1.0 (83)
BENIN	290 (83)	. .	. .	10.6 (82)	1.6 (83)	0.2 (83)	0.2 (83)	8.8 (83)
ETHIOPIA	120 (83)	25.5 (78)	292.5 (78)	16.3 (83)	2.8 (83)	0.1 (83)	0.1 (83)	5.5 (83)
IVORY COAST	710 (83)	. .	. .	38.6 (83)	0.0 (83)	0.0 (83)	0.0 (83)	2.3 (83)
NAMIBIA	1,936 (82)	. .	. .	. .	0.0 (83)	. .	. .	. .
NIGERIA	770 (83)	. .	. .	19.4 (83)	0.0 (83)	0.0 (83)	0.0 (83)	0.1 (83)
SOUTH AFRICA	2,490 (83)	34.2 (80)	101.2 (80)	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
TANZANIA, UNITED REPUBLIC	240 (83)	. .	. .	6.8 (81)	7.9 (83)	0.2 (83)	0.4 (83)	12.3 (83)
NCP SUMMARY	386	29.2	150.4	13.2	13.4 *	0.1	0.1	0.6
REGION SUMMARY	310	25.2	79.5	8.4	0.0 *	0.2	0.2	2.2

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: AFRICA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
BOTSWANA	8.5 (83)		9.8 (83)	47.9 (79)	119 (84)	4.9 (82)	3.1 (82)	59 (84)
BURKINA FASO (UPPER VOLTA)	1.4 (83)	3.5 (83)	10.8 (83)	16.4 (79)	-155 (82)		2.6 (79)	-42 (81)
BURUNDI	2.1 (83)	3.6 (83)	12.4 (83)			7.4 (77)	2.4 (77)	
CAMEROON	2.7 (83)	6.8 (83)	12.6 (83)	21.6 (77)	401 (84)	-3.2 (80)	1.5 (80)	-289 (83)
CAPE VERDE			11.9 (83)					
CENTRAL AFRICAN REPUBLIC	0.1 (83)	1.0 (83)	14.4 (83)		-23 (83)			-28 (83)
CHAD		-5.8 (83)	8.3 (83)		-21 (83)	12.3 (76)		38 (83)
COMOROS	-0.6 (83)							
CONGO	3.5 (83)	7.9 (83)	12.4 (83)		417 (83)	10.5 (80)		-400 (83)
DJIBOUTI	-3.6 (83)					-14.9 (80)		
EQUATORIAL GUINEA					-32 (80)			16 (74)
GAMBIA, THE	1.4 (83)		10.4 (83)		-79 (81)	25.9 (78)		-47 (81)
GHANA	-2.1 (83)	-1.3 (83)	51.6 (83)	15.7 (78)	-92 (83)	32.5 (83)	0.7 (82)	-218 (83)
GUINEA	1.1 (83)	3.1 (83)	4.0 (83)					
GUINEA-BISSAU	-1.7 (82)		6.9 (83)		-41 (83)			-26 (83)
KENYA	2.3 (83)	4.6 (83)	10.8 (83)	31.7 (82)	-312 (83)	26.3 (82)	3.8 (82)	-177 (83)
LESOTHO	6.3 (83)	5.5 (83)	11.9 (83)	15.5 (74)	-478 (83)	-37.4 (74)		-14 (83)
LIBERIA	0.8 (83)	0.2 (83)	7.2 (83)	44.2 (81)	61 (83)	31.0 (81)	4.1 (81)	-136 (83)
MADAGASCAR	-1.2 (83)	0.3 (83)	13.9 (83)	18.2 (74)	-262 (79)	13.4 (74)	0.8 (73)	-434 (79)
MALAWI	2.2 (83)	4.2 (83)	9.8 (83)	33.1 (82)	28 (82)	26.0 (82)	2.3 (82)	-73 (82)
MALI	1.2 (83)	4.1 (83)	10.3 (83)		-68 (83)	-2.5 (81)		107 (83)
MAURITANIA	0.3 (83)	2.5 (83)	7.8 (83)		-63 (83)	13.2 (79)	11.6 (79)	-196 (83)
MAURITIUS	2.8 (83)		13.1 (83)	36.4 (80)	-36 (84)	29.1 (83)	0.3 (83)	-51 (84)
MOZAMBIQUE								
NIGER	-1.2 (83)	5.2 (83)	11.8 (83)		-69 (82)	24.6 (80)	0.7 (80)	-479 (80)
RWANDA	2.3 (83)	5.6 (83)	11.2 (83)		-74 (83)	7.3 (80)	1.8 (80)	49 (83)
SAO TOME AND PRINCIPE	-1.3 (83)		8.8 (83)		-7 (83)			8 (83)
SENEGAL	-0.5 (83)	2.6 (83)	8.9 (83)		-313 (83)	2.7 (75)	2.0 (75)	-480 (81)
SEYCHELLES	3.4 (83)			40.5 (78)	-69 (83)	12.8 (78)		-26 (83)
SIERRA LEONE	1.1 (83)	1.9 (83)	14.7 (83)	23.1 (82)	-26 (83)	61.4 (83)	1.1 (83)	-33 (83)
SOMALIA	-0.8 (83)	2.8 (83)	20.1 (83)		-272 (63)	34.1 (78)		-150 (83)
SUDAN	1.3 (83)	6.3 (83)	18.0 (83)	19.4 (78)	-187 (83)	24.0 (82)	1.8 (82)	-219 (83)
SWAZILAND	2.6 (83)		11.9 (83)	25.2 (76)	-146 (83)	26.4 (81)	1.8 (81)	-87 (83)
TOGO	1.1 (83)	2.3 (83)	8.3 (83)	40.9 (79)	16 (84)	6.0 (80)	2.2 (79)	-19 (83)
UGANDA	-4.4 (83)	-2.1 (83)	62.7 (83)		-48 (81)	25.4 (83)	1.8 (78)	10 (81)
ZAIRE	-1.3 (83)	-1.0 (83)	48.2 (83)	28.0 (79)	561 (83)	18.3 (79)		330 (80)
ZAMBIA	-1.3 (83)	0.2 (83)	10.3 (83)	42.1 (82)	245 (84)	43.7 (82)		-176 (84)
ZIMBABWE	1.5 (83)	1.8 (83)	9.7 (83)	43.2 (82)	87 (83)	26.3 (82)	6.5 (82)	-459 (83)
CP SUMMARY	0.9 ●	2.5 ●	15.0 ●	26.1	13 &	19.5 &	1.3	-187 &

● = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: AFRICA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIES								
ANGOLA	. .	. .	. .	. .	. .	. .	. .	. .
BENIN	1.0 (83)	4.8 (83)	10.8 (83)	. .	-159 (78)	. .	. .	-96 (78)
ETHIOPIA	0.5 (83)	2.3 (83)	4.4 (83)	23.2 (78)	-338 (83)	25.1 (78)	1.9 (74)	-171 (83)
IVORY COAST	1.0 (83)	4.7 (83)	11.9 (83)	. .	1,277 (84)	31.1 (80)	1.2 (80)	-195 (84)
NAMIBIA	. .	. .	. .	. .	. .	. .	. .	. .
NIGERIA	3.2 (83)	1.2 (83)	13.3 (83)	19.5 (78)	3,008 (84)	9.7 (78)	3.6 (78)	530 (84)
SOUTH AFRICA	1.6 (83)	3.1 (83)	13.3 (83)	26.8,(80)	3,960 (83)	9.0 (80)	. .	285 (83)
TANZANIA, UNITED REPUBLIC	1.9 (83)	3.6 (83)	11.9 (83)	36.8 (79)	-342 (81)	25.8 (76)	9.0 (79)	-270 (81)
NCP SUMMARY	1.5 ●	3.3 ●	10.9 ●	25.2	3,171 &	11.2 &	2.3	336 &
REGION SUMMARY	1.0 ●	2.7 ●	14.4 ●	25.9	2,238 &	13.7 &	1.4	181 &

● = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

OVERVIEW OF AFRICA

AFRICA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	7,010	3,605	-	-	3,000	-	405	-
Grants	829,280	124,625	15,023	46,596	32,419	20,133	417,434	173,050
Total	836,290 a/	128,230	15,023	46,596	35,419	20,133	417,839	173,050 b/
1986								
Loans	8,460	-	-	-	8,460	-	-	-
Grants	696,564	138,745	26,100	32,811	39,098	10,529	288,702	160,579
Total	705,024 c/	138,745	26,100	32,811	47,558	10,529	288,702	160,579 d/
1987								
Loans	3,405	-	-	-	3,405	-	-	-
Grants	746,997	148,000	23,000	29,648	33,464	20,385	410,500	82,000
Total	750,402	148,000	23,000	29,648	36,869	20,385	410,500	82,000 e/

a/ Includes $3.4 million reobligated under Deob/Reob Authority.

b/ Includes $103.3 million for Sahel Development Program; $66.3 million for the African Famine Supplemental, and $3.5 million for the Child Survival Fund.

c/ Excludes $30.3 million deobligated in FY 1985 and planned for reobligation under Deob/Reob Authority.

d/ Includes $77.0 million for Sahel Development Program; $10.8 million Migration and Refugee Assistance for Africa, $4.0 million for the Child Survival Fund, and $68.7 million for the African Famine Supplemental.

e/ Includes $80.0 million for Sahel Development Program and $2.0 million for the Child Survival Fund.

I. AFRICA AFTER THE DROUGHT

The drought of the past year sets the stage for a review of African development. Most African nations were severely affected, and the limited capacity of African governmental structures was severely tested. Public concern and frustration grew as daily reports both chronicled the spread of death and suffering and issued dire predictions of increasing misery. It appeared impossible to deliver adequate food and supplies to peoples widely dispersed over an area four times the size of the United States, given the problems of civil wars and non-functioning transport systems.

Fortunately the most dire predictions did not happen. The world community in general and the U.S. government and PVO community in particular moved an extraordinary amount of food to people in need in time to save millions of lives. It was a peacetime effort seldom matched in modern history.

AFRICA

The enormity of the U.S. response to the Sub-Saharan drought deserves some discussion. During FY 1985, a period roughly matching the Sub-Saharan African crop year, the United States shipped over three million tons of food assistance. This included three times the level of emergency food assistance given in FY 1984, a serious drought year for many African nations, and was ten times the emergency food contribution of a normal year. With the U.S. food aid contribution matched by the other donor community, the total food aid pledged to Sub-Saharan Africa in 1985 was well in excess of six million metric tons.

The Sub-Saharan food situation in the current 1985/86 crop year is much improved from last year. Nearly every country suffering from food shortfalls last year has had an improved harvest this year. The result is that most countries do not need exceptional food assistance this year, and in several cases, the food recipients of last year may be the food suppliers of the current year.

We see exceptional needs in relatively few countries, and with the exception of Ethiopia, the bulk of food aid requirements have already been pledged by the donor community. The United States has made 1.45 million metric tons of food aid available through December 1985. This accounts for nearly 60% of food pledged to date for sub-Saharan Africa in the 85/86 crop year.

The major reason for the improvement in this year's harvest is due to increased rainfall falling at the appropriate time during the growing season. The change in West Africa's Sahel is particularly dramatic. Although Cape Verde and Mauritania continue to suffer from chronic food shortfalls, only Mali has unusual food shortfalls this year. Last year the entire Sahel was affected by the drought.

In East Africa, several reports now indicate that Sudan has nearly tripled its cereal production from last year. Unfortunately the increase was primarily confined to the eastern part of the country, and western Sudan will still require food to be imported from the eastern surplus. In Ethiopia, there was some increase in production, but the lack of available agricultural inputs precluded a more substantial recovery. External food imports will continue to be required through the current crop year.

The lessons learned from the devastating drought of last year have enabled both the donor community and recipient countries to be better prepared for food emergencies in the coming years. Rainfall patterns are being closely monitored and reviewed during the growing seasons. In addition, harvest projections are adjusted from the time seeds are planted so that shortfalls are identifiable as soon as possible.

In order to expedite the delivery process, the donor community has been very active in assessing port capacities, trucking fleets, and internal distribution networks in order to maximize efficiency should an urgent need arise.

AFRICA

We expect food emergencies to continue in Sub-Saharan Africa for the forseeable future. They will not occur every year, nor will they strike every country. If early information is available and shortfalls are anticipated early in the crop year, food shortfalls will not develop into critical emergencies.

With the drought now over, except for specific pockets in a handful of countries, and with agricultural production once again at normal levels, African leaders and the world community must look at those problems which both predated the drought and exacerbated its impact.

II. THE CHALLENGE OF THE 80's

Africa's continuing crisis is characterized by economic stagnation. Reinvigorated and renewed economic growth is the only solution.

Agriculture must grow to reduce the vulnerability to recurring drought and food shortages. Exports must grow to provide the resources to meet import needs and to pay off foreign debt. National economies must grow to generate local budget resources for development investments and recurrent costs.

From 1960 through 1982, the average rate of growth of per capita income in Sub-Sahara Africa was a mere 0.7% per year. At current growth rates it will take 100 years for African countries to raise per capita incomes from current levels of $350 to $700 per year. A minimum of 3% per capita or 6% GDP growth rate per year is required if Africa is to match the performance of low income countries in other regions and for GDP to double within 24 years.

Yet, at present, all medium-term projections are for contraction rather than growth. The reasons for the lack of growth are varied and complex.

Domestically there is a growing gap between population, food production, and productive resources that is fostered by inappropriate policies, misguided investments, and mismanaged resources. Major emphasis has been put on developing new public institutions rather than developing the private sector. Following inherited colonial patterns and encouraged by donor financing, most governments have attempted to maintain control of all marketing and distributing aspects of the economy while at the same time adding new social welfare functions, agro-industrial production schemes, and ambitious new infrastructure.

The strategy has not worked.

Internationally, worsening terms of trade, oil shocks, and worldwide recession have undercut African exports. In addition, import costs have soared, and debt burdens have become unmanagable. Foreign exchange earnings are minimal as export earnings and volume have dropped, and scarce foreign exchange is used for debt service on past investments which have not yet paid for themselves. By 1986 Africans will be paying nearly $7 billion a year to service their debt obligations of over $80 billion. This represents an average 40% of their foreign exchange earnings. Meanwhile per capita imports are declining and are now at 63% of 1973 per capita levels. Unless imports are able to grow, renewed growth is not possible.

The cumulative effect of these forces is seen in the growing budget deficits, rising unemployment, and increased poverty and malnutrition.

Without arguing whether donors or recipients are primarily at fault, the results, in many cases, are that all systems are inoperative. Infrastructure left to deteriorate is costly or impossible to rehabilitate, while newly created parastatals are over staffed and under productive. This is exacerbated by armed conflict, political unrest, and corruption. Without a dramatic change in current patterns the countries of sub-Saharan Africa will continue to be plagued by famine, debt, economic stagnation, and mounting political unrest into the next century.

Total aid levels to Africa have been growing, but almost all African countries have had negative per capita growth rates. Per capita agricultural production, for example, has declined by 20% over the past twenty years. We can structure our emergency assistance to meet the food needs but that will not accelerate a development process which will enable African governments to meet the basic human needs of their own people.

Moreover, recent events are cause for greater alarm. The move toward dependency, nutured during the drought, must be checked and reversed. But the official development community, ably assisted by the private voluntary community, cannot just move in and do the job. African governments must take charge of their development rather than merely tolerate the expenditures of a large and diverse donor community.

The major impetus for development in Africa will have to come from Africans. We can offer assistance, we can provide some seed money, and we can provide technical assistance where needed, but the bulk of the work must be initiated and maintained by the recipient. Time is the critical factor as population increases and deteriorating economic situations make the task more difficult daily.

III. A.I.D. STRATEGY AND PROGRAM ACHIEVEMENTS

The major objective of A.I.D. assistance is to help African countries get economic growth started again. Our assistance strategy emphasizes agricultural-led growth although our program emphasis is not limited to food production or confined to nations with a potential of food self-sufficiency. The major pieces of our strategy are:

- economic stabilization and reform
- increased agricultural production
- human resources development

AFRICA

A common thread woven through much of our work in Africa is the use and support of private sector resources. Food production alone cannot raise incomes and absorb the growing labor force. Our assistance strategy must also stimulate the growth of private sector off-farm employment and export development. The improvement of governmental policies in Africa will make a valuable contribution to development, but the engine of change will be driven by the private sector. Consequently, we will direct an ever increasing portion of our resources through non-governmental channels in order to nurture private sector growth.

During the past year we have tightened our programming for sub-Saharan Africa. New starts have been cut in half, thus releasing U.S. and African staff time to concentrate on implementation; a major emphasis has been placed on policy reform to promote economic growth; and, we have conducted a strict portfolio review on a country by country basis to get out of sectors with limited developmental impact so that we could focus our resources on a few critical areas.

The recent drought and economic stagnation have encouraged other African nations to reconsider their economic policies. In stongly statist regimes such as those of Mali, Guinea, Madagascar, Zaire, Somalia, Ghana and Zambia, major changes are underway, and there are indications that turnarounds in economic performance are occurring.

Interestingly enough, policies conducive to growth do not have to be perfect. In fact, as long as they avoid getting mired down in overly repressive governmental control, advances can be made. Specifically, exchange rates need to be reasonable, excessive fiscal deficits should be avoided, special political interests should not guide economic decisions, and private initiative should be allowed to grow. In addition, where possible, development oriented nations should adopt an export oriented growth policy, which when coupled with conservative fiscal policy, enhances success.

Much of what we propose for FY 1987 is built on the successes that we have had in recent years. The following includes highlights of our program.

A. Economic Policy Reform and Stabilization

In the area of policy reform, we have attempted to influence some relatively high risk ventures. In Zambia, our policy dialogue is focusing on the reduction of maize and fertilizer subsidies, and in the past year they have been reduced by over 30%. We have also encouraged the adoption of an economically sound foreign exchange system, and recently the GOZ has adopted an auction process to set foreign exchange values. Lastly, we have pushed for the privatization of maize marketing, and as a result, the volume of grain moving through the national marketing parastatal has decreased while private sector sales have grown.

AFRICA

In Malawi, we are replenishing the fertilizer purchase fund in order to insure continuing availability of marketable fertilizer products. In return, the GOM will not subsidize the sale of fertilizer. Previously, the government stabilized the price of fertilizer by drawing down the fertilizer fund thus producing raised expectations and no capital for insuring a steady supply of agricultural inputs. When coupled with revised pricing policies, Malawi has experienced increased agricultural production, more efficient use of available agricultural inputs, and an increase in marketed outputs by small holder farmers with a concomitant increase in their cash incomes.

In Rwanda, we have supported private sector development through policy reform at governmental levels. Specifically, reform efforts are changing the investment code to extend benefits to smaller firms, as well as altering the administrative procedures governing insurance protection for smaller firms. In addition, the government is divesting itself of some parastatal operations, decontroling prices and reviewing selected tariff, tax and trade regimes to provide additional stimulus to private enterprise development and employment.

B. Agricultural Production

The multi-year commodity import program in Zimbabwe is an example of the kind of support we are able to lend to food production development. U.S. food processing equipment as well as raw materials have stimulated record harvests in both food grains and cash crops such as cotton. Similar production gains have been realized in neighboring Zambia primarily due to changed policies. Pricing and marketing reforms which emphasize the involvement of the private sector, combined with adequate rainfall, have resulted in a rapid recovery from recent production shortfalls in Kenya, Niger and Somalia as well as Zambia. In Zaire, we are combining policy reform and a commodity import program to encourage market and production stimulation bolstered by necessary capital goods.

Beyond the near term financial and policy constraints, Africa's longer term growth prospects are tempered by daunting development problems. The most important of these relate to: 1) low productivity in agriculture; 2) growing population pressures; 3) decaying physical and institutional infrastructure; (4) mounting unemployment; and (5) major manpower shortages in key skill areas.

Agriculture in Africa is an important source of growth as well as food. Agriculture is still the dominant sector in African economies, with 70 percent of the population engaged in agricultural pursuits. This sector accounts for 30 to 60 percent of gross domestic product and remains a primary source of foreign exchange for most African economies.

A.I.D.'s basic objective in agriculture is to help Africans achieve a reliable food supply through a blend of food production, food imports and, in a few instances, export crops appropriate to each country. With a disappearing land "frontier" and emerging seasonal labor constraints, continued production increases will have to come from increased productivity rather than increased land and labor use. We are supporting agricultural pricing and marketing reforms, privatization of parastatals, and increased farmer productivity through investments designed to improve technologies, access to markets, productive infrastructure, and the supply of fertilizer and other agricultural inputs.

We are placing a major emphasis on agricultural research to develop technologies that are affordable and profitable for the average farmer. The problem is complex, reflecting the fact that there are over 40 countries, multiple ecological zones, and over a dozen major food and export crops.

A.I.D.'s current agricultural research portfolio is $350 million. Our new plan for agricultural research in Africa concentrates resources in key food crops and key countries with the capacity either to generate or adapt technologies. The plan envisages a 20 year effort to develop commodity programs and to strengthen selected departments within African schools of agriculture to train the needed Master's-level scientists. Central to the research plan is linking national researchers to International Agricultural Research Centers and strengthening regional networks.

We are also assisting in the critical area of natural resources management through forestry, soil conservation and energy programs. We are providing support for on-farm tree planting regeneration of natural forests and rangelands. Our research and demonstration programs are designed to help meet vital fuelwood and fodder needs, and to the extent possible, will contribute to the restoration of the environment.

C. Human Resource Development

Although we are attempting to develop new ways to stimulate sub-Saharan African growth, human resource development remains critical to our program. These projects use both governmental and private and voluntary organizations and range from food production to health to the private sector. Although the resilience of Sub-Saharan Africa's institutional resources was demonstrated by this year's drought recovery, we are working in selected areas to make this strength even greater.

1. Education

In education, our programs focus on improving primary education, expanding the pool of middle and senior level professional, technical and managerial people, and on increasing the efficiency of education systems. Our training programs alone provide scarce resources which can be used to fill critical manpower gaps in areas such as agricultural research, extension, engineering and economics.

A.I.D. funded activities in Botswana, for example, also contain education and human resource development as a key element of the development portfolio. Primary and secondary education improvements have been combined with vocational and agricultural skills training to insure the proper foundation for national development. Results from this limited focus have already produced unexpected secondary benefits as a more highly trained workforce can make a more development oriented contribution to economic growth.

2. Health Care

For health activities, we are providing direct assistance as well as support for PL 480 Title II maternal/child health feeding programs. Our programs help develop primary care systems that provide preventive and curative services based on simple methods of diagnosis and treatment of common illnesses at early stages. A major focus is on child survival and the treatment of childhood communicable diseases, diarrhea, and malaria through immunization, oral rehydration therapy, anti-malarials and nutrition programs. We are helping identify alternative financing schemes and other ways to improve the efficiency in the delivery of health services.

In Swaziland, for example, we are fostering improvements in primary health care delivery through prenatal care, an immunization program, parasitic disease control, the availability of oral rehydration salts, as well as child spacing information, nutrition education and growth monitoring.

3. Family Planning

Regarding population, our programs are aimed at integrating family planning into public health systems and developing private sector services. We fund contraceptives for distribution through public and commercial channels. We also support training and information programs.

In Kenya, where the population growth rate exceeds 4.2%, the government is making family planning its top development priority. Using funding from A.I.D., the World Bank and other bilateral donors, Kenya seeks to expand the availability of voluntary family planning services so that people in all parts of the country have access. The A.I.D. component of the Kenyan effort will finance training, commodities, and community based delivery mechanisms. In Liberia, we are supporting an integrated health and family planning effort. Of particular note is the training and technical assistance made available to the Liberian Family Planning Association and the formulation of the National Population Commission.

IV. FY 1987 PROGRAM

With regard to our FY 1987 program, we will be continuing our emphasis on agriculture and basic human needs while supporting complimentary activities in policy reform and private sector development. In addition, we will continue to draw upon the excellent technical resources available in the private and voluntary organization community as well as closely link our programs with Peace Corps activities where appropriate.

AFRICA

An example of our new multi-fasceted approach can be seen in Malawi where a high proportion of our assistance is being made available to the private sector, including two efforts to strengthen rural credit institutions being implemented by Africare and the Credit Unions National Association (CUNA). In addition, Partnership for Productivity is helping improve an indigenous business advisory service active in rural Malawi. Similar private enterprise activities are currently being supported throughout Africa utilizing both the PVO community as well as indigenous governmental institutions.

Although much of our recent involvement in the private sector development has been through the funding of credit mechanisms, we have also supported other private sector activities. In Somalia, we have financed several sectoral assesments to identify opportunities of small to medium enterprises as well as subsector market research leading to specific business projects.

In Senegal, in addition to credit, we are making technical assistance available for many small scale providers of goods and services. This has enabled a "bridge" to be built between established commercial activities and rural village groups. Similar kinds of activities have been started in Kenya where credit and business advisory services have resulted in small manufacturing enterprises such as: semicuring of hides, sisal processing, hand tool production, soapmaking and bakeries.

Although food production and agricultural research will remain the highest priority for the coming year, we are looking forward to increased support for private sector development. It is clear that entrepreneurship is the major catalyst for economic development. We will continue to foster and support the private sector in Africa.

In addition, we feel that participant training and human resource development will make a lasting contribution to long term development needs. Therefore, we will continue to emphasize these activities, particularly in countries where minimal developmental funds are available.

In FY 1987, we will continue to focus a major portion of our support in six countries (Sudan, Liberia, Somalia, Kenya, Sengal and Zaire). To the extent possible, we are also making substantial contributions to four additional nations (Niger, Cameroon, Zambia and Zimbabwe) where the environment for policy change and economic growth appears to be particularly good. In addition, we are attempting to maximize the impact of our regional programs by pinpointing regional support for those programs and areas where we can expect measurable positive change.

Specific FY 1987 activities will be detailed on a country by country basis in the following narrative portion of this document.

AFRICA

Deobligation/Reobligation Authority

Funds Available for Reobligation in FY 1986 1/

Country	$000 / Account
Botswana	48.6 ARDN (G) 212.6 ESF (G)
Cameroon	500.0 ARDN (G)
Ghana	2,100.0 ARDN (G) 3,000.0 ARDN (L) 530.0 HE (G) 143.0 EHRD (G)
Kenya	2,234.2 ARDN (G) 1,672.3 POP (G) 57.4 SDA (G) 86.9 ESF (G)
Liberia	509.7 ARDN (G) 140.0 HE (G)
Somalia	3,100.0 HE (G)
Southern Africa Regional	23.0 ESF (G)
Sudan	12,791.9 ARDN (G)
Swaziland	339.0 ARDN (G) 375.0 ARDN (L) 35.7 POP (G) 83.0 HE (G) 1,190.8 EHRD (L) 41.0 ESF (G) 500.0 ESF (L)
Africa Regional	618.5 SDA (G)
TOTAL	30,332.6

1/ Above availabilities are excluded from country funding totals in the country narratives which follow.

BOTSWANA

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COUNTRY:  (633) BOTSWANA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      1,068

PER CAPITA GNP.......... (DOLLARS,1983)        920

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  8.5%

ANNUAL RATE OF INFLATION (1973-83)  9.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1971)   1.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 63.5  MALE 61.6  FEMALE 65.4
                     (1970)   TOTAL 57.9  MALE 56.2  FEMALE 59.8

ADULT LITERACY RATE  (1971)   TOTAL  41%  MALE  37%  FEMALE  44%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    10%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)         2


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: SOYBEANS ,LIVESTOCK ,CORN               9%   (1984)
  CASH: CATTLE ,CORN ,PULSES                           5%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) BEEF AND VEAL ,HIDES AND SKINS

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,WHEAT ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    78%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1980)         385 (81)          378 (82)        379
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1980)         390 (81)          400 (82)        399
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1980)          -2 (81)          -22 (82)        -20
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980)  8.5% (81)  7.8% (82)  5.8%
  AS % OF GNP................. (1980)  4.0% (81)  4.0% (82)  3.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   293 (83)   396 (84)   474
  EQUIVALENT TO  7.1 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)DIAMONDS        ,CATTLE          ,ANIMAL PROD.

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   17  (1983)   40  (1984)   53
   AS % OF TOTAL EXPORTS (1982)    4% (1983)    7% (1984)   8%

MAJOR IMPORTS(1983)FOODSTUFFS      ,VEHICLES        ,TEXTILES

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    6  (1983)    4  (1984)   20
   AS % OF TOTAL IMPORTS (1982)    1% (1983)    1% (1984)   4%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -114(83)     31(84)   119

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,ZIMBABWE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    59.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)........ ........................ (1983)    24
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   3.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.6% (1978)   4.8% (1985)  3.3%

POPULATION IN URBAN AREAS............(1970)    10%   (1985)   27%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    45

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1976)   8.0%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 47.9% (15-64YRS) 48.2% (65+ YRS)  4.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  63

PEOPLE PER PHYSICIAN................ (1975)  9,875

MAJOR CAUSES OF
DISEASE (1975) GASTROINTESTINAL,ACUTE RESP. INFE,UNKNOWN AILMENTS
DEATH.. (1978) PERINATAL DIS.  ,MEASLES          ,TUBERCULOSIS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    92%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)  45%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL   105   MALE  97.2    FEMALE   113
SECONDARY....... (1981)  TOTAL  17.9   MALE  16.4    FEMALE  18.3
POST SECONDARY.. (1980)  TOTAL   1.4   MALE   1.6    FEMALE   0.8

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)        %
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BOTSWANA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	19.3	17.6	15.9	13.3	20.3	184.4	5.3	179.1
Loans	-	-	-	-	-	16.7	5.3	11.4
Grants	19.3	17.6	15.9	13.3	20.3	167.7	-	167.7
a. A.I.D. and Predecessor Agencies	13.0	10.9	11.4	10.0	10.8	101.0	5.3	95.7
Loans	-	-	-	-	-	16.7	5.3	11.4
Grants	13.0	10.9	11.4	10.0	10.8	84.3	-	84.3
(Economic Support Fund)	13.0	10.9	11.3	10.0	3.9	70.4		
b. Food for Peace (PL 480)	5.1	5.4	3.0	1.8	8.0	66.5	-	66.5
Loans	-	-	-	-	-	-	-	-
Grants	5.1	5.4	3.0	1.8	8.0	66.5	-	66.5
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	5.1	5.4	3.0	1.8	8.0	66.5	-	66.5
Emerg. Relief, Econ. Develop. & World Food Program	5.1	5.4	3.0	1.8	8.0	66.5	-	66.5
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	1.2	1.3	1.5	1.5	1.5	16.9	-	16.9
Loans	-	-	-	-	-	-	-	-
Grants	1.2	1.3	1.5	1.5	1.5	16.9	-	16.9
Peace Corps	1.2	1.3	1.5	1.5	1.5	16.9	-	16.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.1	0.5	0.6	5.2	9.2	15.6	0.7	14.9
Credits or Loans	-	0.5	0.5	5.0	7.0	13.0	0.7	12.3
Grants	0.1	*	0.1	0.2	2.2	2.6	-	2.6
a. MAP Grants	-	-	-	-	2.0	2.0	-	2.0
b. Credit Financing - FMS	-	0.5	0.5	5.0	7.0	13.0	0.7	12.3
c. Military Assistance Service Funded (MASF) Grants	0.1	*	0.1	0.2	0.2	0.6	-	0.6
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	19.4	18.1	16.5	18.5	29.5	200.0	6.0	194.0
Loans	-	0.5	0.5	5.0	7.0	29.7	6.0	23.7
Grants	19.4	17.6	16.0	13.5	22.5	170.3	-	170.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	48.7	50.1	51.7	364.5
IBRD	32.5	45.3	10.7	232.2
IFC	0.5	0.0	0.0	0.8
IDA	0.0	0.0	0.0	14.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	41.0	72.3
UNDP	0.2	0.8	0.0	16.1
OTHER-UN	0.5	0.0	0.0	2.8
EEC	15.0	4.0	0.0	25.5

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	17.0	13.0	73.0
Germany,Fed. Rep.	24.2	20.1	103.3
United Kingdom	13.2	15.1	92.8
Sweden	13.2	11.6	87.0
Norway	7.4	8.0	55.2
Other	9.1	8.2	89.7
Total	84.1	76.0	501.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-82
6.2	N.A.	6.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

BOTSWANA

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 85 Actual	FY 86 Estimated	FY 87 Request
Loans	-	-	-
Grants	10,000	7,656	8,000
Total	10,000	7,656	8,000

Development Overview

Botswana's real gross domestic product (GDP) growth rate has averaged 8.5% per annum since independence. The Government of Botswana (GOB) employs prudent economic and financial practices and efficiently uses the revenues generated by its diamond-led mineral sector, which now accounts for 30% of GDP and 75% of export earnings. Botswana is making substantial progress in expanding access to basic education, increasing life expectancy, and reducing illiteracy; the quality of life in Botswana is now ranked second among the majority ruled countries in southern Africa.

Despite mining's macro-economic dominance, agriculture still provides a traditional and important contribution to the livelihood of the majority of Botswana's 1.1 million people. Agriculture's contribution to GDP declined from 45% in 1968 to 7% in 1985, reflecting the low productivity in the sector due to drought. The fourth consecutive year of drought reduced Botswana's food production to less than 10% of its requirements. The Government of Botswana is emphasizing rejuvenation of agriculture in its new six year plan (1985-1991).

The GOB's biggest challenge over the next decade, however, will be to reduce the serious manpower imbalances that plague the economy. Botswana is expected to generate new jobs to employ only about 50% of entrants to the workforce during the 1980s. At the same time, shortages of entrepreneurial, managerial, and administrative talent lower productivity and constrain the creation of new employment opportunities. To address these problems, the GOB is placing more emphasis on creating work opportunities in the private sector and on increasing food production to raise small holder incomes in the rural areas where 80% of the population resides. In education, the emphasis is on qualitative improvements in basic education and the expansion of post-primary and advanced training programs. For the remainder of the decade, therefore, the principal problems confronting Botswana will be the lack of job opportunities for a rapidly expanding unskilled workforce juxtaposed against projected shortages of trained manpower in the formal sector.

BOTSWANA

FY 1987 PROGRAM HIGHLIGHTS

-- Provide advanced level training for administrative, management and technical personnel from the public and private sectors - $4.0 million

-- Continue to assist Botswana in improving institutional capabilities for delivering high quality primary education - $2.988 million

-- Continue to develop and extend improved production technologies for small farmers - $1.012 million

U.S. Interests and Objectives

The United States seeks to promote political stability and economic development in this strategically important region of southern Africa. Botswana, a member of the "Front-Line States" and seat of the Southern African Development Coordination Conference (SADCC) Secretariat, is a moderating influence in attempts to work out peaceful solutions to problems of achieving majority rule within the region. It is in the interest of the United States that Botswana remain democratic, politically stable, and economically sound. Growing unemployment, however, poses a long-term threat to Botswana's internal equilibrium and could disrupt the balance she maintains with her politically varied neighbors.

A.I.D. Development Strategy

A.I.D./Botswana's strategy supports the GOB's policy and program initiatives in education, workforce training, and employment creation. The strategy which concentrates on education and human resources development and agriculture and rural development, contains three principal objectives: (1) to improve the quality and efficiency of basic education systems, (2) to provide advanced training for administrative and technical personnel to help increase and diversify employment opportunities, and (3) to strengthen selected GOB institutions which are directly responsible for increasing agricultural and off-farm productivity and incomes.

A.I.D. Program (FYs 1985 and 1986)

FY 1985 A.I.D. Program: In education and human resource development, A.I.D. initiated the Junior Secondary Education Improvement Project (633-0229) and provided final funding of the Primary Education Improvement Project (633-0222). The Junior Secondary Education Project helps the Ministry of

BOTSWANA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	-	-	-
Grants	8,100	15,268	13,135
Total AID	8,100	15,268	13,135
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	1,410	-	-
Total P.L. 480	1,410	-	-
Total AID and P.L. 480	9,510	15,268	13,135

* AID levels represent actual and estimated expenditures.
** P.L. 480 levels represent actual and estimated value of shipments.

P.L. 480 (In thousands of dollars)						
Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	—	—	—	—	—	—
Rice	—	—	—	—	—	—
Feedgrains	—	—	—	—	—	—
Vegoil	—	—	—	—	—	—
Non-food	—	—	—	—	—	—
Title I Total	—	—	—	—	—	—
(of which Title III is)	—	—	—	—	—	—
Title II 1/						
Voluntary Agencies	—	—	—	—	—	—
Government - to - Government	[illegible]	1,417	—	—	—	—
Title II Total	[illegible]	1,417	—	—	—	—
Total P.L. 480	[illegible]	1,417	—	—	—	—

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country.

BOTSWANA

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	10	7	7
PASA[b]	--	--	--
TOTAL	10	7	7

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	145	16	161	178	26	204	118	32	150
Regional[e]	1	--	1	--	2	2	--	2	2
TOTAL	146	16	162	178	28	206	118	34	152

[a] In training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	--	3	3	--	--	--	--	--	--
Regional[e]	--	--	--	--	--	--	--	--	--
TOTAL	--	3	3	--	--	--	--	--	--

[a] In training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

Education to develop, manage and support the Junior Secondary Segment of Botswana's Expanded Basic Educational System. Under the Primary Education Improvement Project (633-0222), in-service teacher training expanded and participants returned from the U.S. to help the GOB plan and manage its primary school system. Technical assistance and training continued under the Botswana Workforce and Skills Training Project (633-0231), and an FY 1985 project evaluation recommended the initiation of a second phase to refine and expand the activity. In agriculture and rural development, Title XII advisory assistance, under the Agricultural Technology Improvement Project (633-0221), began a transition from diagnostic studies to the design and field testing of improved crop production technology. Under the Rural Sector Grant (633-0077), district administration officers began post-graduate training in the United States and rural industrial extension staff completed in-country training. Rural entrepreneurs continued to receive technical and financial assistance as did small farmer groups for horticultural development and infrastructure activities. Selected other activities included (1) self-help construction under the Housing Guaranty Program (633-0238), (2) delivery of contraceptives which support the IBRD family health project signed in FY 1985, and (3) completing the distribution of 3,000 MT of vegetable oil and 6,000 MT of maize provided under the FY 1984 PL 480 Title II emergency program, through the World Food Program, for drought relief.

FY 1986 A.I.D. Program: A.I.D. will continue to concentrate on education and human resource development. A transition from the current Primary Education Improvement Project (633-0222) to the second phase will occur with the initiation of the Primary Education Improvement Project, Phase II (633-0240) which will further institutionalize improvements in Botswana's primary education system. The Junior Secondary Education Improvement Project (633-0229) will be underway with the arrival of U.S. advisors. In higher level manpower training, A.I.D. will begin the Botswana Workforce and Skills Training Project, Phase II (633-0241) which will build upon activities initiated in the first phase and increase training for the private sector. In agriculture and rural development, the Agricultural Technology Improvement Project (633-0221) will be evaluated to assess progress. Under the Rural Sector Grant (633-0077), construction activities will near completion, additional district officers and rural industrial extension agents will be trained, and small enterprises will continue to receive training and business advisory services. Selected activities include initiating the Botswana Housing Finance Project (633-HG-003), and continuing construction and housing policy development under the previous Housing Guaranty Program (633-HG-002), implementing the drought recovery grant under the FY 1985 supplemental appropriation for Africa Famine Relief to provide plowing services to small farmers, and completing the distribution of 1,000 MT of vegetable oil and 3,000 MT of corn provided under the FY 1985 PL 480 Title II emergency food program through the World Food Program.

BOTSWANA

Requested Year Program (FY 1987)

The $8.0 million in ESF requested for FY 1987 will continue assistance for improving basic education, increasing the supply of Batswana trained at higher levels, and expanding income opportunities in rural areas. Education and Human Resource Development will require $6.988 million: $4.0 million for the proposed Botswana Workforce and Skills Training Project, Phase II (633-0241) and $2.988 million for the proposed Primary Education Improvement Project, Phase II (633-0240). Agriculture and Rural Development and Nutrition will need $1.012 million for the Agricultural Technology Improvement Project (633-0221).

MISSION DIRECTOR - Paul Guedet

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOTSWANA

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL SECTOR GRANT	G 633-0077	80	88	2,473	2,473	2,473	126	---	1,347	---	1,000
AGRICULTURAL TECHNOLOGY IMPROVEMENT	G 633-0221	81	89	3,060	3,060	3,060	---	---	1,000	---	1,060
TOTAL FOR ACCOUNT				5,533	5,533	5,533	126	---	2,347	---	2,060
GRANTS				5,533	5,533	5,533	126	---	2,347	---	2,060
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PRIMARY EDUCATION IMPROVEMENT	G 633-0222	81	88	1,650	1,650	1,650	557	---	1,093	---	---
BOTSWANA WORKFORCE AND SKILLS TRAINING	G 633-0231	82	90	2,817	2,817	2,817	1,341	---	1,476	---	---
TOTAL FOR ACCOUNT				4,467	4,467	4,467	1,898	---	2,569	---	---
GRANTS				4,467	4,467	4,467	1,898	---	2,569	---	---
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
AGRICULTURE COLLEGE EXPANSION	G 633-0074	78	82	9,149	7,903	7,930	6,770	---	1,160	---	---
RURAL SECTOR GRANT	G 633-0077	80	88	6,876	5,349	5,349	3,393	---	300	---	700
HEALTH SERVICES DEVELOPMENT	G 633-0078	78	80	4,305	4,305	4,305	2,694	---	1,611	---	---
AGRICULTURAL TECHNOLOGY IMPROVEMENT	G 633-0221	81	89	5,108	12,335	5,108	2,563	---	1,000	1,012	1,000
PRIMARY EDUCATION IMPROVEMENT	G 633-0222	81	85	5,643	5,643	5,643	3,470	---	1,100	---	1,073
SMALL ENTERPRISE DEVELOPMENT (PVO)	G 633-0228	82	82	904	904	452	283	---	169	---	---
SECONDARY EDUCATION IMPROVEMENT	G 633-0229	85	89	16,318	16,318	4,527	22	3,356	1,500	---	1,500
BOTSWANA WORKFORCE AND SKILLS TRAINING	G 633-0231	82	86	11,741	11,741	9,685	4,416	2,056	1,700	---	2,800

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOTSWANA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
GABORONE WEST HOUSING AND FACILITIES	G	633-0238	83	83	650	650	650	340	---	310	---	---
PRIMARY EDUCATION IMPROVEMENT II	G	633-0240	86	91	---	8,200	---	---	1,100	500	2,938	1,000
WORKFORCE & SKILLS TRAINING II	G	633-0241	86	90	---	27,013	---	---	1,144	1,000	4,000	3,000
TOTAL FOR ACCOUNT					60,694	100,361	43,649	23,951	7,656	10,350	8,000	11,073
GRANTS					60,694	100,361	43,649	23,951	7,656	10,350	8,000	11,073
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					70,694	110,361	53,649	25,975	7,656	15,265	8,000	13,133
GRANTS					70,694	110,361	53,649	25,975	7,656	15,266	8,000	13,133
LOANS					---	---	---	---	---	---	---	---

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* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

BURXINA FASO

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                                                    FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (686) BURKINA FASO (UPPER VOLTA)

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*BASIC DATA*                                                 *FOREIGN TRADE*
------------                                                 ---------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      6,907           MAJOR EXPORTS(1983)LIVESTOCK      ,PEANUTS        ,SHEA NUT PROD.

PER CAPITA GNP.......... (DOLLARS,1983)        180           EXPORTS TO U.S.
                                                                ($ MILLIONS, US, FOB) (1980)    0  (1981)    0  (1982)    0
ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.4%        AS % OF TOTAL EXPORTS (1980)    0% (1981)    0% (1982)   0%

ANNUAL RATE OF INFLATION (1973-83) 10.8%                     MAJOR IMPORTS(1983)TEXTILES       ,FOOD           ,CONSUMER GOODS

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)    . %  IMPORTS FROM U.S.
                                                                ($ MILLIONS, US, CIF) (1982)   23  (1983)   16  (1984)   23
LIFE EXPECTANCY AT BIRTH, IN YEARS                              AS % OF TOTAL IMPORTS (1980)   11% (1981)   12% (1982)   9%
                 (1985)   TOTAL 45.4  MALE 44.3  FEMALE 46.6
                 (1970)   TOTAL 42.5  MALE 41.8  FEMALE 43.2  TRADE BALANCE($ MILLIONS, U.S.)(1980)   -208(81)   -189(82)  -155

ADULT LITERACY RATE  (1975)   TOTAL    9%  MALE   15%  FEMALE    3%  TRADING PARTNERS: FRANCE ,IVORY COAST ,UNITED STATES

-------------                                                 EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    65.0%
*AGRICULTURE*
-------------                                                 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE             ($ MILLIONS, U.S.)................................ (1983)    14
                                       (1975-1984)  -0.4%          AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982)  13.9%
                                                              -------------
AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    38%    *SOCIAL DATA*
                                                              -------------
POPULATION DENSITY / SO KM OF AGRICULTURAL LAND (1982)       50  POPULATION GROWTH RATE...(1970)   1.5% (1978)   1.9% (1985)  2.7%

                                                              POPULATION IN URBAN AREAS............(1970)     7%   (1985)   12%

MAJOR CROP(S)                                ARABLE LAND  YEAR  LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     48
  SUBSISTENCE: SORGHUM ,MILLET ,CORN                81%   (1984)
  CASH: COTTON ,PEANUTS ,.                          11%   (1984) MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,LIVESTOCK ,SHEA NUTS   POPULATION (1985) IN AGE GROUP:
                                                                           (0-14YRS) 44.6% (15-64YRS) 52.1% (65+ YRS)  3.3%
MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ,DAIRY PRODS.
                                                              INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 176
PROPORTION OF LABOR FORCE IN AGRICULTURE........(   .)     .%
-----------------------------                                PEOPLE PER PHYSICIAN................ (1980) 48,512
*CENTRAL GOVERNMENT FINANCES*
-----------------------------                                MAJOR CAUSES OF
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)                  DISEASE (1981) MALARIA          ,TRACHOMA         ,MEASLES
              (1977)        128 (78)        144 (79)     167  DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1978)        138 (79)        194 (80)     199  PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    84%
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1977)         18 (78)          7 (79)     -26  POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  30%
DEFENSE EXPENDITURES.
  AS % OF TOTAL EXPENDITURES.. (1977) 20.8% (78) 23.5% (79) 16.5% TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
  AS % OF GNP.................. (1977)  2.9% (78)  3.1% (79)  2.5% PRIMARY......... (1982)  TOTAL  24.1   MALE  30.1    FEMALE  17.9
                                                              SECONDARY....... (1981)  TOTAL   3.6   MALE   4.1    FEMALE   2.2
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,  POST SECONDARY.: (1980)  TOTAL   0.3   MALE   0.4    FEMALE   0.1
  ($MILLIONS, U.S.)              (1982)    67 (83)    89 (84)   106
  EQUIVALENT TO  2.0 MONTHS OF IMPORTS (1982)                  ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)        %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BURKINA FASO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE - TOTAL**	22.7	30.7	19.6	8.8	17.6	214.8	-	214.8
Loans	-	-	-	-	-	-	-	-
Grants	22.7	30.7	19.6	8.8	17.6	214.8	-	214.8
a. **A.I.D. and Predecessor Agencies**	9.2	14.1	11.2	0.3	*	83.5	-	83.5
Loans	-	-	-	-	-	-	-	-
Grants	9.2	14.1	11.2	0.3	*	83.5	-	83.5
(Economic Support Fund)	-	-	-	-	-	-		
b. **Food for Peace (PL 480)**	12.2	15.2	6.8	7.1	16.1	115.6	-	115.6
Loans	-	-	-	-	-	-	-	-
Grants	12.2	15.2	6.8	7.1	16.1	115.6	-	115.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	12.2	15.2	6.8	7.1	16.1	115.6	-	115.6
Emerg. Relief, Econ. Develop. & World Food Program	3.7	3.0	1.3	2.3	6.6	44.8	-	44.8
Voluntary Relief Agencies	8.5	12.2	5.5	4.8	9.5	70.8	-	70.8
c. **Other Economic Assistance**	1.3	1.4	1.6	1.4	1.5	15.7	-	15.7
Loans	-	-	-	-	-	-	-	-
Grants	1.3	1.4	1.6	1.4	1.5	15.7	-	15.7
Peace Corps	1.3	1.4	1.6	1.4	1.5	15.7	-	15.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE - TOTAL**	0.1	0.1	0.1	0.1	*	0.7	-	0.7
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.1	0.1	*	0.7	-	0.7
a. MAP Grants	-	-	-	-	-	0.1	-	0.1
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	0.1	0.1	0.1	0.1	*	0.6	-	0.6
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	22.8	30.8	19.7	8.9	17.6	215.5	-	215.5
Loans	-	-	-	-	-	-	-	-
Grants	22.8	30.8	19.7	8.9	17.6	215.5	-	215.5
Other U.S. Government Loans and Grants	-	-	-	-	-	1.0	1.5	0.5-
a. Export-Import Bank Loans	-	-	-	-	-	1.0	1.5	0.5-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	36.8	49.1	63.3	590.4
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.5
IDA	18.5	7.4	61.9	315.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	41.4	1.4	95.2
UNDP	14.4	0.3	0.0	51.8
OTHER-UN	3.9	0.0	0.0	16.1
EEC	0.0	0.0	0.0	111.4

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	26.0	24.0	160.0
France	43.7	43.5	289.9
Germany, Fed. Rep.	25.9	14.9	183.5
Netherlands	26.9	25.6	140.9
Canada	9.8	7.3	50.4
Other	15.1	19.1	67.5
Total	147.4	134.4	892.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

3.9	N.A.	3.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	Negl.	5
Eastern Europe	-	-	-
Total	-	-	5

BURKINA FASO

PROGRAM SUMMARY *(In thousands of dollars)*								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs a/	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	2,790	–	–	–	–	–	–	2,790
Total	2,790	–	–	–	–	–	–	2,790
1986								
Loans	–	–	–	–	–	–	–	–
Grants	1,000	–	–	–	–	–	–	1,000
Total	1,000	–	–	–	–	–	–	1,000
1987								
Loans	–	–	–	–	–	–	–	–
Grants	1,000	–	–	–	–	–	–	1,000
Total	1,000	–	–	–	–	–	–	1,000

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- Continued emphasis on a national child health/family planning program through the Population Planning Project ($1.0 million).
- Continued provision of P.L. 480 food commodities through Catholic Relief Services to reduce malnutrition among 375,000 recipients ($6.4 million).

BURKINA FASO

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	4,495	5,929	2,541
Total AID	4,495	5,929	2,541
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	16,621	6,154	6,806
Total P.L. 480	16,621	6,154	6,806
Total AID and P.L. 480	21,116	12,083	9,347

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*						
Title II 1/						
Voluntary Agencies	46,350	13,212	24,428	6,154	25,649	6,366
Government - to - Government	23,000	3,409	–	–	4,000	440
Title II Total	69,350	16,621	24,428	6,154	29,649	6,806
Total P.L. 480	69, 350	16,621	24,428	6,154	29,649	6,806

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

BURKINA FASO

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	12	8	8
PASA[b]	1	1	1
TOTAL	13	9	9

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	18	1	19	18	7	25	15	5	20
Regional[e]	10	5	15	5	3	8	10	6	16
TOTAL	28	6	34	23	10	33	25	11	36

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	1	1	0	3	3	3	5	8
Regional[e]	0	1	1	7	5	12	5	10	15
TOTAL	0	2	2	7	8	15	8	15	23

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

BURKINA FASO

Development Overview

Burkina Faso is one of the world's poorest countries with a GNP per capita of $180 (1983). That figure is now lower still after two successive years of drought. Burkina's health statistics are dismal, particularly in the areas of infant mortality and access to health services. Literacy is less than 10 percent and primary school enrollment at one in five is the lowest in the world for countries over 1 million in population. Thus, Burkina cannot be considered to be even on the threshold of meeting the basic human needs of its people, a situation which is further compounded by accelerating environmental degradation, burgeoning population and severe periodic drought.

Landlocked, with little support infrastructure and a low natural resource endowment, Burkina's development prospects are severely constrained. Marginal soils and low rainfall, exacerbated by excessive deforestation and relatively high population densities, limit agricultural growth in most regions. Burkina's rapidly growing population (2.6 percent) impedes economic growth by increasing the investment needed to simply maintain the meager status quo in education, health care, and food available per capita.

Despite this grim economic situation, there are a number of development activities underway in Burkina. New programs are being decentralized and benefits are targeted toward rural areas. The government's themes of self-reliance and self-sacrifice at all levels are both practical and in line with a limited resource base. Last year's country-wide vaccination campaign against childhood diseases (about which most donors were highly skeptical at first) is a prime example of successful popular mobilization at low cost. Plans for a similar effort for this year's census are already underway.

U.S. Interests and Objectives

U.S. interests in Burkina Faso are both developmental and humanitarian. The current A.I.D. priority is to decrease human suffering from two successive years of drought and concomitant food shortages. The recent past, marked by political instability and strained relations between the U.S. and Burkina, took on a more positive tenor in 1985 as the U.S. and the Government of Burkina worked to improve relations.

A.I.D. Development Strategy

A.I.D. assistance strategy is focused on health/population and rural development in order to improve the quality of life of the rural poor while conserving and developing the natural resource base. Specific objectives are to increase rural asset formation and consumption in their various forms -- potable water, food, health status, new technologies, credit access etc. -- while reducing economic, social and physical risk.

BURKINA FASO

In addition to government-to-government activities, A.I.D. will continue its reliance on private voluntary organizations (PVOs) to implement selected rural-based activities and continue its policy dialogue to promote sound economic policies fostering private sector development. A.I.D.'s recently-conducted private sector assessment, hosted by the Ouagadougou Chamber of Commerce, led to a successful symposium which recommended a range of fiscal/economic reforms to benefit the private sector during the 1986-91 five-year plan.

A.I.D. Program (FYs 1985-1986)

Health/Population

The Rural Water Supply Project (686-0228), which has financed over 530 wells to date, finishes field operations in FY 1986. Several relief and recovery-funded efforts to provide an additional 100,000 northern Burkina rural dwellers with potable water complement both this water project and the United Nations Decade of Water programs. Previous A.I.D. training, pilot efforts and policy discussions have set the stage for the new Population Planning Project (686-0260), planned as the first phase of a long-term intervention in this sector. The Strengthening Health Planning Capacity Project (686-0251) addresses important gaps in the organization of health care delivery, reinforces the capacity of the Ministry of Health to plan and manage public health interventions and complements assistance provided by the World Bank in the health sector.

Rural Development

The Agricultural Human Resources Development Project (686-0221) funds a Title XII contract with the University of Georgia which is helping to introduce curriculum reform at the University of Ouagadougou's agricultural school. As recommended in a recent evaluation, emphasis will continue on the transfer of practical agricultural education with special focus on the systematic upgrading of the university's Gampela Research Farm. In addition, A.I.D.-funded PVOs (e.g., Africare, PFP, CRS) will continue village-level development and drought-recovery efforts.

Requested Year Program (FY 1987)

The requested $1,000,000 for FY 1987 funding is primarily to continue support for the Population Planning Project ($960,000) and to support A.I.D.'s continued reliance on the Peace Corps as an implementing agent under the Small Project Assistance Project ($40,000).

P.L. 480 Title II resources also will continue to support the CRS program.

MISSION DIRECTOR: Herbert N. Miller

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

[illegible]

53

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BURUNDI

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR COUNTRY					[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GRANTS					[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LOANS					---	---	---	---	---	---	---	---

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[1] Refer to the planned project summary sheet

[2] Level of effort activity

FY of Final Obligation column - All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

BURUNDI

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COUNTRY:  (695) BURUNDI                                FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)       4,673

PER CAPITA GNP.......... (DOLLARS,1983)        240

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.1%

ANNUAL RATE OF INFLATION (1973-83) 12.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(     )    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 47.8  MALE 46,2  FEMALE 49.4
                     (1970)   TOTAL 44.6  MALE 43.0  FEMALE 46.3

ADULT LITERACY RATE  (1980)   TOTAL  27%  MALE  39%  FEMALE  15%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    53%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        195


MAJOR CROP(S)                                       ARABLE LAND  YEAR
  SUBSISTENCE: BANANAS ,CASSAVA ,SWEETPOTATOES          73%   (1984)
  CASH: COFFEE ,COTTON ,TEA                              4%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,TEA ,COTTON

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RAW SUGAR ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(   .)     .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1975)         73 (76)          98 (77)         109
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1975)         87 (76)         101 (77)         118
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1975)        -14 (76)          -3 (77)          -9
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1975) 13.9% (76) 10.9% (77) 11.2%
  AS % OF GNP................. (1975)  2.9% (76)  2.5% (77)  2.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)              (1982)    37 (83)    34 (84)    25
  EQUIVALENT TO      MONTHS OF IMPORTS (   .)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE          ,TEA             ,COTTON

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   28  (1983)    3  (1984)    2
   AS % OF TOTAL EXPORTS (   .)    .% (   .)    .% (   .)   .%

MAJOR IMPORTS(1983)TEXTILES        ,FOODSTUFFS      ,TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   11  (1983)    6  (1984)   10
   AS % OF TOTAL IMPORTS (   .)    .% (   .)    .% (   .)   .%

TRADE BALANCE($ MILLIONS, U.S.)(   .)      .( .)       .( .)

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,BELGIUM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    51.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).................................. (1983)     8
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (   .)     . %
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.2% (1978)   2.8% (1985)  2.8%

POPULATION IN URBAN AREAS............(1970)     2%   (1985)    3%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    45    (1985)     45

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 43.4% (15-64YRS) 52.0% (65+ YRS)  3.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 115

PEOPLE PER PHYSICIAN................. (1974) 45,025

MAJOR CAUSES OF
DISEASE (1977) ACUTE RESP. INFE,PARASITIC DISEAS,INFECTIOUS DIS.
DEATH.. (1977) PERINATAL DIS.  ,PARASITIC DISEAS,INFECTIOUS DIS.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   103%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  24%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  31.4   MALE  38.4     FEMALE  24.3
SECONDARY....... (1981)  TOTAL   3.1   MALE   4.3     FEMALE   2.0
POST SECONDARY.. (1980)  TOTAL   0.4   MALE   0.5     FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      5.4%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BURUNDI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	6.5	6.1	7.2	7.5	7.7	53.1	-	53.1
Loans	-	-	-	-	-	-	-	-
Grants	6.5	6.1	7.2	7.5	7.7	53.1	-	53.1
a. A.I.D. and Predecessor Agencies	4.4	3.3	5.0	5.5	3.7	23.5	-	23.5
Loans	-	-	-	-	-	-	-	-
Grants	4.4	3.3	5.0	5.5	3.7	23.5	-	23.5
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	2.1	2.8	2.2	1.7	3.4	28.8	-	28.8
Loans	-	-	-	-	-	-	-	-
Grants	2.1	2.8	2.2	1.7	3.4	28.8	-	28.8
Title I – Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	2.1	2.8	2.2	1.7	3.4	28.8	-	28.8
Emerg. Relief, Econ. Develop. & World Food Program	1.0	1.0	0.8	0.4	1.6	13.5	-	13.5
Voluntary Relief Agencies	1.1	1.8	1.4	1.3	1.8	15.3	-	15.3
c. Other Economic Assistance	-	-	-	0.3	0.6	0.8	-	0.8
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	0.3	0.6	0.8	-	0.8
Peace Corps	-	-	-	0.3	0.6	0.8	-	0.8
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	*	*	0.1	0.2	-	0.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	*	0.1	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	*	*	0.1	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.5	6.1	7.2	7.5	7.8	53.3	-	53.3
Loans	-	-	-	-	-	-	-	-
Grants	6.5	6.1	7.2	7.5	7.8	53.3	-	53.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS BY ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	18.0	20.4	82.1	445.6
IBRD	0.0	0.0	0.0	4.8
IFC	0.0	0.0	0.0	5.6
IDA	15.8	5.1	30.4	210.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	13.0	31.7	108.2
UNDP	2.2	2.3	0.0	47.4
OTHER-UN	0.0	0.0	0.0	9.3
EEC	0.0	0.0	0.0	60.3

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	8.0	6.0	30.0
Belgium	20.6	16.2	133.3
France	25.8	21.2	91.9
Germany, Fed. Rep.	14.3	19.8	75.3
Japan	1.6	1.2	7.7
Other	4.9	5.5	21.5
Total	75.2	69.9	359.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
6.0	N.A.	15.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	50
Total	-	-	50

BURUNDI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	3,546	2,021	–	–	–	1,525	–	–
Total	3,546	2,021	–	–	–	1,525	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	2,019	1,350	–	–	–	669	–	–
Total	2,019	1,350	–	–	–	669	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	2,000	750	–	–	1,250	–	–	–
Total	2,000	750	–	–	1,250	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

-- Initiate a new Human Resources Development project to increase the availability of trained manpower in key development sectors ($1.25 million).

-- Continue on-going programs to improve agricultural production techniques through small farming systems research and improved seed production ($750,000).

-- Continue implementation of the Alternative Energy project and the PL 480 Title II program ($1.7 million).

BURUNDI

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	3,217	5,362	5,024
Total AID	3,217	5,362	5,024
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	( )	( )	( )
Title II	1,677	1,581	1,708
Total P.L. 480	1,677	1,581	1,708
Total AID and P.L. 480	4,894	6,943	6,732

**AID levels represent actual and estimated expenditures*

***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)	–	–	–	–	–	–
Title II [1]						
Voluntary Agencies	5,235	1,677	5,565	1,581	6,038	1,708
Government - to - Government	–	–	–	–	–	–
Title II Total	5,235	1,677	5,565	1,581	6,038	1,708
Total P.L. 480	5,235	1,677	5,565	1,581	6,038	1,708

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

BURUNDI

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	6	4	5
PASA[b]	2	3	3
TOTAL	8	7	8

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	2	2	4	2	5	7	3	11	14
Regional[e]	18	5	23	21	–	21	28	4	32
TOTAL	20	7	27	23	5	28	31	15	46

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	5	5
Regional[e]	–	2	2	–	2	2	–	2	2
TOTAL	–	2	2	–	2	2	–	7	7

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

BURUNDI

Development Overview

Burundi is a small, land-locked country with a high population density and limited land resources. These factors present special development problems that are reflected in a per capita GNP in 1984 of $175 and high infant mortality and adult illiteracy rates. Until recently, Burundi was one of the few African countries that was marginally self-sufficient in food. Total food production has been increasing, but not as fast as the population. However, per capita food production has fallen since 1981 and Burundi may now be entering a food deficit period.

The Burundi Government is faced with a mounting debt service burden and declining budgetary resources, although the recent rise in international coffee prices, if sustained, may temporarily ease these constraints. Because Burundi has only limited capacity to generate internal resources for development, the majority of Burundi's investment is financed by external donor assistance.

In order to focus development and economic policy priorities more sharply, the Burundi Government is engaged in serious negotiations with the International Monetary Fund and the World Bank, respectively, for a Standby Agreement and Structural Adjustment Credit. There is some hope that the country has commercially exploitable petroleum resources. AMOCO has completed seismic exploration for oil and may drill its first test well this year.

US Interests and Objectives

U.S. interests in Burundi are to promote regional stability and to reduce the risk of medium and long-term human and ecological disaster. At present, U.S. objectives in Burundi include supporting the country's efforts to: 1) increase food production for domestic consumption; 2) promote family health/planning; and 3) train Burundi managers and technicians in fields needed for achievement of these goals.

A.I.D. Development Strategy

The A.I.D. program in Burundi has concentrated on two sectors--agriculture and health/family planning. The overall A.I.D. priority in the agriculture sector is on increasing food production, principally through programs to improve both the availability and nutritional quality of basic food crops and through support to applied agricultural research and extension services. Given the increasing number of female-headed households and high infant mortality rates, child health and family planning activities are closely related in Burundi. The Burundi Government has promulgated a strong child health/family planning policy and program whose implementation is progressing slowly but positively. With continued assistance through regional projects, A.I.D. supports development efforts in such areas as family planning, safe water, and combatting childhood diseases, complementing the efforts of the Burundi Government, UNICEF and other donors in these areas. Nutrition education, including the provision of supplementary food and oral rehydration therapy, is provided under the PL 480 Title II Food for Peace program.

BURUNDI

Beginning in 1987, A.I.D. will undertake a major human resources development project to increase the reservoir of professional skills at both the national and provincial levels in Burundi, primarily in agriculture, health, and rural development. This will include substantial training in the United States. Manpower development will become an increasingly important component of the A.I.D. program in Burundi in the future.

AID Program (FY's 1985-1986)

In agriculture, the Basic Food Crops project (695-0101) is making available to small farmers improved varieties of seed and plant materials and improved agricultural production techniques. In particular, work is being done on those corn, wheat and potato varieties which are adapted to growing at 2,000 meters above sea level and higher. A special in-depth evaluation in 1984 led to a tightening of project management and to better seed farm operations. The Small Farming Systems Research project (695-0106) will help Burundi develop an institutional capacity for agricultural research aimed at the basic food crops grown by small farmers. The project will also develop an institutional link to bridge the gap between agricultural research and extension activities. A.I.D. is continuing assistance to the Bururi Forest project (695-0105) to protect one of the two remaining natural forests in Burundi and to regenerate and expand the forest to help meet fuel wood needs. A 1984 evaluation of the Bururi Forest project was instrumental in highlighting the need for increased agro-forestry technical assistance and participant training.

The recently-completed Rural Road project (695-0108) provided access to agricultural markets and to health and education services for about 65,000 people living along a mountainous 60 kilometer rural road. Based on the success of this project, a follow-on project, Rural Road II (695-0112), is reconstructing a 30 km. road segment leading to the major market town of Rumonge on Lake Tanganyika. This project is also helping institutionalize a system for labor-intensive rural roads projects by funding studies for five additional roads.

In the energy sector, the Alternative Energy Peat II project (695-0103) is developing peat as an alternative urban fuel. As a result of a 1984 evaluation, the marketing component of the project is being strengthened. This project is expected to be completed in 1987.

In the health/population sector, A.I.D. continues the Community Water and Sanitation project (695-0109) in coordination with UNICEF. A.I.D. is supplying materials for capping 1,250 springs. The regional Expanded Program of Immunization project, completed in September of 1985, provided a system of basic childhood immunizations in most areas of the country. In FY 1985, A.I.D. initiated a follow-on regional project, Combatting Childhood Communicable Diseases (698-0421).

In the human resources development area, training activities in FY 1985 and 1986 continue to be financed under on-going bilateral projects as well as under two regional projects--the African Manpower Development Program (AMDP) and the African Graduate Fellowship Program (AFGRAD).

BURUNDI

The PL 480 Title II program in Burundi is administered by Catholic Relief Services (CRS). The CRS program, in operation since 1970, has increasingly emphasized maternal and child health in order to reach the most vulnerable sections of the population with its nutrition education program. The CRS program is implemented through 38 rural health centers and reaches 83,000 children. The World Food Program also operates in Burundi.

Requested Year Program (FY 1987)

The Basic Food Crops I project (695-0101) will continue technical assistance to seed multiplication ($750,000). It will extend Burundi's capacity to supply its needs for improved seeds and plant materials by helping smaller satellite farms produce seeds for altitude-specific crops.

A new Human Resources Development project (695-0121) will be initiated in 1987 to provide long-term training for Burundi participants in the United States and third countries ($1,250,000). Some short-term training may also be provided for senior officials in areas of special interest, such as private sector development and technology transfer.

Approximately $1.7 million of PL 480 Title II resources are being requested to enable CRS to continue its Food for Peace program, which focuses on maternal/child health through nutrition education.

A.I.D. REPRESENTATIVE: George T. Bliss

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BURUNDI

CP 87

PROJECT TITLE	* L/G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD		-THROUGH FY85- OBLIGATIONS		-ESTIMATED FY86- OBLIGATIONS		-PROPOSED FY87- OBLIGATIONS	
				AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
BASIC FOOD CROPS	G 695-0101	80	87	6,690	7,440	6,690	4,282	---	2,000	750	808
BURURI FOREST	G 695-0105	82	82	1,144	1,144	1,144	602	---	360	---	182
SMALL FARMING SYSTEMS RESEARCH	G 695-0106	83	86	7,790	7,790	6,440	132	1,350	450	---	2,600
RURAL ROADS II	G 695-0112	83	85	1,087	1,087	1,087	624	---	463	---	---
TOTAL FOR ACCOUNT				16,711	17,461	15,361	5,640	1,350	3,273	750	3,590
GRANTS				16,711	17,461	15,361	5,640	1,350	3,273	750	3,590
LOANS				---	---	---	---	---	---	---	---
HEALTH											
COMMUNITY WATER AND SANITATION	G 695-0109	83	83	330	330	330	241	---	89	---	---
TOTAL FOR ACCOUNT				330	330	330	241	---	89	---	---
GRANTS				330	330	330	241	---	89	---	---
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PARTICIPANT TRAINING	* G 695-0121	87	91	---	6,000	---	---	---	---	1,250	400
TOTAL FOR ACCOUNT				---	6,000	---	---	---	---	1,250	400
GRANTS				---	6,000	---	---	---	---	1,250	400
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
ALTERNATIVE ENERGY PEAT II	G 695-0103	80	86	9,000	9,000	8,331	5,297	669	2,000	---	1,034
TOTAL FOR ACCOUNT				9,000	9,000	9,331	5,297	669	2,000	---	1,034
GRANTS				9,000	9,000	8,331	5,297	669	2,000	---	1,034
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				26,041	32,791	24,022	11,178	2,019	5,362	2,000	5,024
GRANTS				26,041	32,791	24,022	11,178	2,019	5,362	2,000	5,024
LOANS				---	---	---	---	---	---	---	---

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* Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: BURUNDI

PLANNED PROGRAM SUMMARY SHEET

Title Human Resources Development	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,250		Life of Project Funding 6,000
Number 695-0121 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR 1,250	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991	Estimated Completion Date of Project FY 1993

Purpose: To assist Burundi in meeting requirements for trained and skilled manpower in priority development fields, including agriculture, economics, management and health/family planning.

Project Description: Burundi enjoys a relatively high level of donor support. However, the majority of training which takes place is related to specific project requirements and does not take into account the overall training needs of the country. A recent Manpower/Education study carried out by the Burundi Ministry of National Education with the assistance of the United Nations indicated the existence of not only imbalances in the production and utilization of trained manpower but also major weaknesses in all education subsectors. In 1984 the Burundi Government created a multi-ministerial committee to evaluate and present candidates for international training. While this has helped the selection process by broadening the number of potential participants that are evaluated, a mechanism is still needed to establish overall human resources requirements and to develop a training strategy and action plan.

In cooperation with United Nations specialized agencies (UNDP, UNESCO and ILO) and other donors, the project will assist the Burundi Government in the development of a human resources strategy and action plan, especially the section dealing with external training. The project will help meet the external training needs by providing training for middle and higher level personnel in the public and private sectors. Emphasis will be on academic training in the United States at the bachelor's and master's level in specific technical areas identified as having the highest development priority. Short-term training in the United States and in Francophone countries will be used as appropriate. In addition, local seminars will be held. Public sector participants will include key personnel in the ministries with which A.I.D. has continuing program contact--agriculture, rural development, health and social affairs. Private sector participants will include local professionals and entrepeneurs.

Relationship to A.I.D. Country Strategy: A.I.D. strategy in Burundi has focused on increasing agricultural production and improving family health/population services. This project will enlarge the pool of skilled manpower working on these priority topics and will promote the development of private enterprise. This project will become the chief source of funding for A.I.D. training activities in Burundi.

Beneficiaries: The project will directly benefit institutions working directly with agricultural development and family health and population. Private sector firms and individuals will also benefit. In total, approximately 125 people are expected to receive external training under the project, while an as-yet undetermined number will participate in local seminars.

Host Country and Other Donors: Burundi and cooperating donors have organized a round-table for June, 1986 to initiate work on preparation of a training strategy and action plan. Other donors are expected to increase the training opportunities they offer.

Major Outputs: Key development institutions with staff better able to carry out their policy, program and support functions; stronger private sector enterprises; and a larger pool of skilled professional technicians and managers in priority sectors.

A.I.D. Financed Inputs:	Life of Project ($000)
Long-term academic training in the United States and short-term training in Burundi, the United States and third countries.	6,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To be selected.
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,250	4,750	6,000	

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CAMEROON

CAMEROON

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	6,605	3,605	-	-	3,000	-	-	-
Grants	13,017	10,515	-	-	2,502	-	-	-
Total	19,622	14,120	-	-	5,502	-	-	-
1986								
Loans	8,460	-	-	-	8,460	-	-	-
Grants	12,330	9,060	-	400	2,830	40	-	-
Total	20,790	9,060	-	400	11,290	40	-	-
1987								
Loans	3,405	-	-	-	3,405	-	-	-
Grants	18,485	13,338	-	2,000	2,952	195	-	-
Total	21,890	13,338	-	2,000	6,357	195	-	-

FY 1987
PROGRAM HIGHLIGHTS

-- $13.4 million is for incremental funding of ongoing agriculture sector projects. Primary emphasis is on institution building, research and technology transfer in order to improve the income of small farm families.

-- $6.4 million will provide incremental funding on ongoing education and human resources sector projects. Primary emphasis is on assisting and development of improved primary education.

-- $2.0 million will finance a new project in the health sector. Primary emphasis is on improvement of maternal and child health.

CAMEROON

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY1987 (Proposed)
Aid *			
Loans	-	2,500	11,800
Grants	6,742	14,732	13,423
Total AID	6,742	17,232	25,223
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	3,165	-	-
Total P.L. 480	3,165	-	-
Total AID and P.L. 480	9,907	17,232	25,223

**AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II [1]						
Voluntary Agencies	-	-	-	-	-	-
Government-to-Government	8,640	3,165	-	-	-	-
Title II Total	8,640	3,165	-	-	-	-
Total P.L. 480	8,640	3,165	-	-	-	-

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

CAMEROON

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	22	22	22
PASA[b]	4	4	3
TOTAL	26	26	25

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	44	8	52	82	23	105	108	26	134
Regional[e]	12	16	28	18	23	41	27	25	52
TOTAL	56	24	80	100	46	146	128	51	186

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

CAMEROON

Development Overview

Cameroon is striving to create an internationally competitive, modern economy in which regional and ethnic balances are maintained. In its economic development plans, the Government of the Republic of Cameroon is emphasizing a three-fold approach to development: promotion of food crop production to continue to assure national self-reliance; direct participation in the export crop sector to raise foreign exchange earnings; and selective expansion of the industrial sector to enhance development of the country's natural resource potential.

Cameroon is an oil producer and exporter. Through the judicious handling of foreign exchange earnings the Government has managed to keep consumer expectations under control so that inflation is low. Oil revenues are being wisely used in furtherance of long-range development objectives. Cameroon's overall economic policies, for the most part, are conducive to sound economic growth but its human resource, transport infrastructure and institutional weaknesses remain constraints to development.

Approximately 73% of Cameroon's active work force is engaged in the agricultural sector, which provides both basic food needs and forms the basis of some of the country's most important processing and manufacturing industries. With the exception of a few large-scale plantations, agriculture is in the hands of small farmers owning an average of 1-3 hectares and whose productive potential is restricted by inadequate access to inputs such as technology, commodities, credit and markets. At this time Cameroon is one of Africa's few countries that is self-sufficient in food production. The rapid shift in the urban/rural population ratio, which began in the mid-1970s, threatens to reverse this situation. To prevent that, significant increases in individual farm production levels must take place and the rate of migration to urban areas must be decelerated through programs designed to improve the quality of life and raise income levels for rural people.

Cameroon's severely limited transportation network and weak institutional infrastructure combine to limit the rural population's access to market centers and government technical and social services. Major health problems exist: diseases such as schistosomiasis, onchocerciasis, malaria and internal parasites debilitate the rural people and limit their productivity. The rural/urban migration pattern exacerbates urban development problems, including severe urban unemployment. The multiplicity of ecological zones affects agricultural production. This, coupled with minimal financial resources and shortages of trained manpower, severely limits Cameroon's ability to plan, develop and implement programs to address the broad range of problems which currently prevent Cameroon from realizing its significant agricultural potential. The Government believes Cameroon's long-term economic viability rests on increasing agriculture production to meet domestic food needs, increase agricultural exports and develop agro-industries.

CAMEROON

It is a tenet of Government policy to make Cameroon a major food supplier for countries within the central African region. To encourage production, food crops are allowed to be sold at free market prices; cash crop production is supported by Government subsidies. Foreign private investors continue to demonstrate interest in the agro-industrial sector, especially in fruit and vegetable processing projects, although actual investments to date are not extensive. The interest which Cameroon shows in U.S. agricultural technology and approaches to training and research, coupled with its receptivity to policy change, make it probable that the country over the long term will be able to overcome present constraints to increased agricultural production. Over the medium term, the country will require continued foreign technical and financial assistance.

U.S. Interests and Objectives

Cameroon has long been one of Africa's moderate states and one of the few to manage a peaceful transition of power. Its overall impressive record of political stability, maintained despite a coup attempt in April 1984, augurs well for further development of democratic institutions. Cameroon's human rights record, in comparison with most developing countries, is good. It has a record of moderation in international politics and supports many U.S. positions in international fora. With an annual growth rate in real per capita GDP of about 2.9% since independence, the country's potential for measurable development gains over the medium term remains encouraging. The maintenance of a strong U.S. Government assistance program, together with the recent impetus given to Cameroon's private industrial and commercial sectors by petroleum export earnings, and the Government's favorable attitude toward the private sector, provide opportunity and encouragement for U.S. private investment.

A.I.D. Development Strategy

A.I.D.'s development strategy is to concentrate on those sectors affecting sustained development of the rural economy: agriculture, basic education, and health. The main objectives are to assure increased production in food crops, increase market participation and income of small farm families, enhance nutritional levels, improve child survival, improve productivity and generally improve the quality of life of the rural population.

The strategy stresses development of the institutional capacity needed to successfully conduct Cameroon's current and future development programs. The underlying assumption behind this strategy is that by removing the serious institutional constraints that hinder good planning and management, the ability of the country to carry out successful development programs at the grass-roots level over the long term will be greatly enhanced. Given the nature of the A.I.D. program, visible impact resulting from A.I.D. projects is not expected over the next two years. However, significant and measurable impact is expected over the next decade.

Given the long-range nature of agricultural research, significant and measurable impact is not expected until the next decade. On the policy dialogue level, A.I.D. has been instrumental in affecting some significant changes in how Cameroon agricultural research is conducted and how it is tied to improvements in the field as well as at the planning level.
In the agriculture sector, A.I.D. will continue to concentrate on increasing food crop production by improving producers' access to improved inputs, technology, markets and management skills. A.I.D. will also give priority to strengthening government institutions responsible for agricultural education, training, research and the extension of technology and to improving institutional capabilities in management, data collection and planning.
A.I.D. is assisting to establish an agricultural education, research and extension system based on the U.S. land grant system. In addition, A.I.D. is encouraging the complementary development of the agro-industrial sub-sector to enhance the market potential of food crops. Care is being taken to identify and develop attractive investment opportunities for U.S. and indigenous private sector resources, complementary to A.I.D.'s agricultural development program. The participation of indigenous private capital will be vigorously promoted.

A.I.D.'s focus in the health sector is to help Cameroon improve the health environment in rural areas. A regional schistosomiasis research center has been established in Cameroon. A.I.D. continues to provide family planning and demographic training.

In the education and human resource sector, A.I.D. is assisting in the reform and expansion of rural primary education. Initial assistance will expand teacher-training colleges to enable them to graduate additional and better trained teachers.

A.I.D. Program (FYs 1985-1986)

In the agriculture sector, the Agricultural Management and Planning project (631-0008) completed the first countrywide agricultural census and started the first annual survey update. In FY 1986, data collected under the project is helping the Cameroonian Government prepare the country's sixth five-year plan. The project is also undertaking a comprehensive review of agricultural sector inputs and production, while continuing with the annual census update which will provide time-series data for the formulation of future agricultural sector policy and planning.

In the North Cameroon Seed Multiplication II project (631-0023), a system is being developed for producing high quality seed for peanuts, corn, sorghum and millet and distributing them through local extension services. The design for a seed processing plant was completed in FY 1985 and construction is scheduled to start in FY 1986. Work will begin on the design of extension and marketing strategies in FY 1986. Three Masters degree candidates and six non-degree participants will receive training in the United States. An evaluation of the project is scheduled for FY 1986. The project is being implemented by a minority firm.

CAMEROON

The National Cereals Research and Extension project (631-0013) is continuing to develop the capability of Cameroon's agricultural research institutes to carry out a national cereals research program. Two sorghum varieties and two maize varieties were released during FY 1985. The Testing and Liaison Unit (TLU) continued farm surveys and on-farm trials in association with extension services. In FY 1986 the National Cereals Research and Extension Phase II project (631-0052) will bring nine additional long-term professional cereals breeders to Cameroon. Laboratory construction will begin and three more TLU's will be established. Project reporting will be changed to measure more adequately progress against set objectives based on a recent evaluation of Phase I.

The Agricultural Education project (631-0031) is assisting Cameroon to develop an agricultural university modeled on the U.S. land grant system with technical assistance from the University of Florida (a Title XII university). The Cameroonian institution will produce high-level agricultural technicians who can effectively staff the government, parastatal and private sector agricultural organizations in Cameroon in the roles of managers, researchers, planners, and teachers. Ten U.S. technical assistance advisors and six teaching assistants will collaborate with the Cameroonian university staff in administrative and curriculum reform and provide course instruction. Ten additional M.S. Degree participants will be sent to the United States in FY 1986. Texts and documents are arriving for the new university library; the language laboratory has been installed; agricultural engineering laboratory equipment has arrived and this laboratory will be fully functioning in FY 1986. A threshold evaluation is scheduled at the end of FY 1986.

In FY 1985, private voluntary organizations (PVOs) continued to implement several small-scale but important projects. These include Credit Union Development (631-0044), which will receive additional funding for an expanded program in FY 1986. The decision to proceed with a second phase of this project in FY 1986 was based on an FY 1984 evaluation that clearly showed development benefits occuring from this private sector project. The PVO-implemented Small Farmer Livestock and Poultry Development project (631-0015) ended in FY 1985 and will be followed in FY 1986 by the Small Farmer Livestock Cooperative project (631-0054), also to be implemented by a PVO. The project will create an autonomous production and marketing cooperative for dairy and rabbit production.

In the health and population sector, A.I.D. is relying on regional and centrally funded projects to address development and influence policy direction. The Health Constraints to Rural Development project (698-0408) technical assistance team is in the field; the training program for participants in the United States began in FY 1985; laboratory equipment started to arrive; and field research is under way. In FY 1986, this project will continue field surveys and the construction of the parasitology laboratory will be completed.

CAMEROON

In the education and human resources sector, a technical assistance team of six U.S. professional educators arrived in Cameroon in FY 1985 under the Support to Primary Education project (631-0033). In FY 1986, a management information system is scheduled for development, and the contracting process for architecture and engineering services for the construction of five teacher-training facilities will begin. In FY 1985, the Vocational Training project (631-0053) was obligated under an umbrella cooperative agreement with Opportunities Industrialization Centers International (OICI), a minority PVO. In FY 1986, the contractor will begin implementation of the project.

In FY 1985, the Program Development and Support (PDS) project (631-0510) financed a fertilizer study, an in-country agricultural seminar, and several project evaluations and training workshops. In FY 1986 PDS funds will be used for project design efforts, study of the private sector, and design of a trade and development-related private sector fertilizer production program. A short-term emergency Food-for-Peace Title II program was carried out in late FY 1985, providing 8,640 metric tons of U.S. rice, beans, and vegetable oil to 230,000 Cameroonians affected by food shortages caused by drought in the northern part of the country. No similar assistance is foreseen in FY 1986.

Requested Year Program (FY 1987)

A.I.D. is requesting $21.9 million in development assistance ($18,485,000 in grants and $3,405,000 in loans) for the Cameroon program in FY 1987 to fund on-going projects and one new project. In the agriculture and rural development sector, the integration of Cameroon's agricultural education, research and extension will continue under the Agricultural Education, the National Cereals Research and Extension and the North Cameroon Seed Multiplication projects. These three projects concentrate on development of the rural economy by encouraging greater agricultural productivity. The Agricultural Management and Planning project, also closely linked to increased rural productivity, will be extended to FY 1987.

The only new project start in FY 1987 will be the Maternal Child Health project (631-0056) in the health sector which will seek to lower infant and maternal mortality in two provinces by providing training, technical assistance and commodities in the fields of oral rehydration, immunization, malaria treatment, health education and child spacing.

In the education and human resource sector, additional funding will be provided to the Vocational Training and Support to Primary Education projects. In this sector, A.I.D. will also fund additional non-project training opportunities under the Regional African Manpower Development Program (698-0433) and other centrally funded projects.

A.I.D.'s Program Development and Support project will make available $795,000 for studies, seminars, and the design of two new agricultural projects.

MISSION DIRECTOR: Jay P. Johnson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CAMEROON

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
NORTH CAMEROON LIVESTOCK AND AG DEV	G	631-0004	78	84	5,439	5,100	5,100	4,926	---	174	---	---
AGRICULTURAL MANAGEMENT AND PLANNING	G	631-0008	79	87	8,800	9,700	6,300	4,813	2,000	1,750	900	1,300
NATIONAL CEREALS RESEARCH AND EXTENSION	G	631-0013	79	84	7,697	7,697	7,697	6,635	---	1,000	---	62
SMALL FARMER FISH PRODUCTION	G	631-0022	80	83	737	597	597	495	---	102	---	---
NORTH CAMEROON SEED MULTIPLICATION II	G	631-0023	82	87	8,040	9,180	7,451	2,352	589	2,484	1,140	1,214
NORTH CAMEROON SEED MULTIPLICATION II	L	631-0023	82	87	5,600	5,600	5,600	---	---	---	---	2,000
NATIONAL FOOD CROP PROTECTION	G	631-0026	79	82	1,420	1,420	1,420	1,119	---	301	---	---
AGRICULTURAL EDUCATION	G	631-0031	82	88	16,670	16,670	7,815	3,036	2,400	2,616	4,000	2,294
AGRICULTURAL EDUCATION	L	631-0031	82	88	26,351	26,351	26,351	---	---	800	---	4,000
CREDIT UNION DEVELOPMENT (PVO)	G	631-0044	80	83	1,600	1,600	1,600	1,225	---	375	---	---
NATIONAL CEREALS RES. AND EXTENSION II	G	631-0052	85	93	35,422	35,422	2,950	19	2,700	2,500	2,573	3,000
NATIONAL CEREALS RES. AND EXTENSION II	L	631-0052	85	93	3,605	3,605	3,605	---	---	700	---	2,300
SMALL FARMER LIVESTOCK & DAIRY	G	631-0054	86	88	---	3,500	---	---	599	200	2,901	600
CREDIT UNION DEVELOPMENT II	G	631-0057	86	88	---	2,500	---	---	566	400	1,224	475
PROGRAM DEV. AND SUPPORT-CAMEROON	G	631-0510	85	C	---	---	365	44	206	206	600	600
TOTAL FOR ACCOUNT					121,401	128,942	77,346	24,664	9,060	13,608	13,338	17,843
GRANTS					85,845	93,386	41,790	24,664	9,060	12,108	13,338	9,543
LOANS					33,556	33,556	35,556	---	---	1,500	---	8,300

*Refers to the planned project summary sheet

@Level of effort activity

FY of Final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CAMEROON

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
HEALTH													
NORTHERN WELLS PHASE II (PVO)		G	631-0051	84	84	820	820	820	82	---	158	---	250
MATERNAL & CHILD HEALTH SUPPORT (PVO)	*	G	631-0056	87	89	---	8,000	---	---	---	---	2,000	500
PROGRAM DEV. AND SUPPORT-CAMEROON		G	631-0510	85	C	---	---	---	---	400	100	---	100
TOTAL FOR ACCOUNT						820	8,820	820	82	400	258	2,000	850
GRANTS						820	8,820	820	82	400	258	2,000	850
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
SUPPORT TO PRIMARY EDUCATION		G	631-0033	84	88	11,364	11,364	4,350	567	2,000	2,111	2,000	2,383
SUPPORT TO PRIMARY EDUCATION		L	631-0033	84	88	16,265	16,265	4,400	---	8,460	1,000	3,405	3,500
OICI VOCATIONAL TRAINING (PVO)		G	631-0053	85	88	2,767	2,030	---	---	815	200	952	450
PROGRAM DEV. AND SUPPORT-CAMEROON		G	631-0510	85	C	---	---	2	2	15	15	---	---
TOTAL FOR ACCOUNT						30,396	29,659	8,752	569	11,290	3,326	6,357	6,333
GRANTS						14,131	13,394	4,352	569	2,830	2,326	2,952	2,833
LOANS						16,265	16,265	4,400	---	8,460	1,000	3,405	3,500
SELECTED DEVELOPMENT ACTIVITIES													
PROGRAM DEV. AND SUPPORT-CAMEROON		G	631-0510	85	C	---	---	---	---	40	40	195	195
TOTAL FOR ACCOUNT						---	---	---	---	40	40	195	195
GRANTS						---	---	---	---	40	40	195	195
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						152,617	167,421	86,918	25,315	20,790	17,232	21,890	25,223
GRANTS						100,796	115,600	46,962	25,315	12,330	14,732	18,485	13,423
LOANS						51,821	51,821	39,956	---	8,460	2,500	3,405	11,800

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: CAMEROON

PLANNED PROGRAM SUMMARY SHEET

Title: Maternal and Child Health Support	Funding Source	AG, RD & N	Health 2,000	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 2,000	Life of Project Funding 8,000	
Number: 631-0056 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989	Estimated Completion Date of Project FY 1991

Purpose: Establish a primary health care delivery system in two provinces designed to lower infant and maternal mortality.

Project Description: The project will finance training, technical assistance, commodities and operating costs for the Ministry of Health over a five-year period. These inputs are designed to complement investments by the Ministry and are directed at creating effective management of health services. The project will work at the national level to improve management of the health-care system by instituting a simple, effective health information system, and through the creation of a reliable system for the procurement, storage and distribution of vaccines, oral rehydration salts, anti-malarials, growth charts and contraceptives. At the provincial level the project will focus on five health interventions: oral rehydration therapy, immunizations, malaria treatment and prophylaxis, health education and child spacing. These five interventions have been selected because they offer the greatest potential for lowering infant and maternal mortality at a cost which is within the long-range recurrent cost capacity of the Cameroonian Government.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy in Cameroon emphasizes agriculture and human resource development. An essential element for success in these two sectors is health. Since 1984, there has been an increased interest in health by A.I.D., particularly in the area of child survival. The Government of Cameroon shares this interest and initiated discussions with A.I.D. to develop a primary health care system that could be oriented to rural areas. The maternal and child health project responds effectively to the Government's requirements and to A.I.D.'s priorities. It will also reinforce existing activities and accelerate their progress.

Host Country and Other Donors: The proposed project will complement several other multilateral activities including a proposed World Bank loan in support of improved health management and manpower requirements current UNICEF efforts to provide essential pharmaceuticals and supplies; and Belgian aid activities in the far north of the country that support efforts to institute cost recovery mechanisms in the rural health facilities.

Beneficiaries: The primary beneficiaries of this project will include children and women, particularly those of child-bearing age, who receive improved health care and participate in activities designed to improve weaning habits and increase birth intervals. The secondary beneficiaries will be Ministry of Health personnel whose planning capabilities will be enhanced and who consequently will more efficiently carry out procurement and distribution of essential medications, vaccines, supplies and related commodities.

Major Outputs: Establishment of an effective health care system serving the rural population.

A.I.D. Financed Inputs:	Life of Project ($000)
Grants to provide training, technical assistance, commodities and operating costs.	8,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To be selected.
Estimated Fiscal Year 1986	-	-	-	
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	2,000	6,000	8,000	

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CAPE VERDE

CAPE VERDE

PROGRAM SUMMARY (in thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs a/	
							ESF	Other
Loans	-	-	-	-	-	-	-	-
Grants	2,000	-	-	-	-	-	-	2,000
Total	2,000	-	-	-	-	-	-	2,000
Loans	-	-	-	-	-	-	-	-
Grants	2,000	-	-	-	-	-	-	2,000
Total	2,000	-	-	-	-	-	-	2,000
Loans	-	-	-	-	-	-	-	-
Grants	2,000	-	-	-	-	-	-	2,000
Total	2,000	-	-	-	-	-	-	2,000

a/ Sahel Development Program

FY 87
PROGRAM HIGHLIGHTS

- A.I.D. will continue to concentrate efforts on increased food production through the Watershed development ($2 million) and Food Crop Research projects.
- P.L. 480 Title II (Section 206) will provide maize or other cereals to help alleviate a chronic food deficit; the sales proceeds fund the local currency costs of labor-intensive construction of small dams to aid soil and water conservation.

CAPE VERDE

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
AID *			
Loans	–	–	–
Grants	1,501	3,616	2,448
Total AID	1,501	3,616	2,448
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	734	1,360	1,710
Total P.L. 480	734	1,360	1,710
Total AID and P.L. 480	2,235	4,976	4,158

* AID levels represent actual and estimated expenditures
** P.L. 480 levels represent actual and estimated value of shipments

P.L. 480
(In thousands of dollars)

Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total (of which Title III is)	–	–	–	–	–	–
Title II [1]						
Voluntary Agencies	33	9	–	–	–	–
Government - to - Government	5,000	725	4,533	1,360	15,000	1,710
Title II Total	5,033	734	4,533	1,360	15,000	1,710
Total P.L. 480	5,033	734	4,533	1,360	15,000	1,710

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

CAPE VERDE

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	3	2	2
PASA[b]	–	–	–
TOTAL	3	2	2

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	7	8	15	12	5	17	11	5	16
Regional[e]	38	2	40	49	5	54	50	6	56
TOTAL	45	10	55	61	10	71	61	11	72

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

CAPE VERDE

Development Overview

Cape Verde is made up of nine inhabited islands, located about 400 miles west of Senegal. The main productive activity is subsistence agriculture. Remittances from overseas Cape Verdeans and donor contributions are the mainstay of the economy.

Cape Verde has a meager natural resource base, limited infrastructure, lack of trained manpower, and a generally arid climate. Soil and water needed for agricultural production is being progressively lost through excessive run off. Development is further inhibited by the dispersion of the islands. These problems have created stress on the rural-based economy, provoking further environmental deterioration and increasing rural migration to urban areas. Under-employment and unemployment are estimated at 50 percent or more.

Cape Verde's present four-year development plan gives rural development top priority. Agricultural development focuses on labor-intensive soil and water conservation, reforestation, development of groundwater resources and agricultural research and extension. Under present drought conditions Cape Verde can produce only 3-10 percent of its requirement for its dietary staple, corn. Livestock are integral to the farming economy and are nourished on crop residues.

U.S. Interests and Objectives

U.S. interests in Cape Verde stem from: (1) the country's strategic geographic location; (2) its position as an influential member of the non-aligned group of nations, particularly relating to negotiations on Southern Africa issues; (3) humanitarian concerns and, (4) strong historical and family ties between the United States and Cape Verde because of the large community of Americans of Cape Verdean descent.

A.I.D. Development Strategy

A.I.D. strategy focuses on the agricultural sector. The goal is maximizing productivity and revitalizing the agricultural resource base. A.I.D.'s primary program objective is to halt environmental degradation and improve agricultural production potential. Through U.S.-funded technical assistance, the Cape Verdeans are constructing small dikes to aid in conserving soil and water needed to develop the resource base of the rural economy. These small dikes impede erosion, enhance infiltration of rainfall, and augment recharge of underground water reserves needed for human and animal use and for irrigated agriculture. In a complementary fashion, the A.I.D. program also supports institutional development of agricultural research, addressing the constraints of limited infrastructure, the need for improved technological packages and an expanded trained manpower base. A.I.D. is an important contributor to the training of Cape

Verdeans, with 55 participants in training in FY 1985. Under P.L. 480, the United States supplies maize and other cereals of equivalent value annually to help alleviate a chronic food deficit; the sales proceeds fund local currency costs of labor-intensive construction of small dikes to aid soil and water conservation.

A.I.D. Program (FYs 1985-1986)

A.I.D. resources are supporting a strategy to increase food production. In FY 1986, A.I.D. will continue funding for the Watershed Development project (655-0006) and the P.L 480 Title II Food for Development which supports the project. The watershed activity is integrated with the P.L. 480 Section 206 program, which provides funds for rural employment from local currency proceeds ($7.8 million equivalent). Evidence to date indicates that the additional soil and water conservation activities associated with the small dikes constructed under the project will lead to further expansion of the irrigated area, the development of rainfed terraces, and increased yields and production of food. For FY 1985 and FY 1986, the Watershed Development project received funding of $2 million.

Supportive of watershed development and increased food production is the Food Crops Research Project 655-0011. The University of Arizona, under Title XII, is the prime contractor providing technical assistance, participant training, and institutional linkage. A 1985 evaluation of this project, done through Purdue University, supports its continuing relevancy to the USAID program and overall importance to the GOCV development effort.

Requested Year Program (FY 1987)

Requested for FY 1987 is $2 million for Watershed Development (655-0013). Training will continue under the Sahel Human Resources Development Program. FY 1987 P.L. 480 Title II Section 206 for Cape Verde is proposed at 15,000 metric tons of maize with an estimated value of $1.7 million.

A.I.D. REPRESENTATIVE: Thomas H. Ball

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CAPE VERDE

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
HEALTH												
SAL DESALINATION/POWER	G	655-0005	78	82	525	525	525	459	---	66	---	---
TOTAL FOR ACCOUNT					525	525	525	459	---	66	---	---
GRANTS					525	525	525	459	---	66	---	---
LOANS					---	---	---	---	---	---	---	---
SAHEL DEVELOPMENT PROGRAM												
FOOD CROP RESEARCH	G	655-0011	82	84	3,688	3,688	3,688	720	---	1,000	---	948
WATERSHED MANAGEMENT II	G	655-0013	84	87	5,611	7,611	3,611	116	2,000	2,550	2,000	1,500
TOTAL FOR ACCOUNT					9,299	11,299	7,299	836	2,000	3,550	2,000	2,448
GRANTS					9,299	11,299	7,299	836	2,000	3,550	2,000	2,448
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					9,824	11,824	7,824	1,295	2,000	3,616	2,000	2,448
GRANTS					9,824	11,824	7,824	1,295	2,000	3,616	2,000	2,448
LOANS					---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

CENTRAL AFRICA
REPUBLIC

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COUNTRY:  (676) CENTRAL AFRICAN REPUBLIC               FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
*************
TOTAL POPULATION.. (THOUSANDS,MID 1985)      2,664

PER CAPITA GNP........ ... (DOLLARS,1983)       280

ANNUAL PER CAPITA REAL GNP GROWTH RATE.  (1965-83)  0.1%

ANNUAL RATE OF INFLATION (1973-83) 14.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    )      %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1985)   TOTAL 48.8  MALE 47.2  FEMALE 50.6
                   (1970)   TOTAL 42.1  MALE 40.9  FEMALE 43.4

ADULT LITERACY RATE  (1980)   TOTAL  33%  MALE  48%  FEMALE  19%

**************
*AGRICULTURE*
**************
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                                 (    -    )    . %

AGRICULTUAL PRODUCTION AS % OF GDP.............(1983)     34%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)         49


MAJOR CROP(S)                                          ARABLE LAND  YEAR
  SUBSISTENCE  CASSAVA ,MILLET ,PEANUTS                      33%   (1984)
  CASH: COTTON ,COFFEE ,.                                     1%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,COTTON ,.

MAJOR AGRICULTURAL IMPORTS:(1984) CATTLE ,WHEAT ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)      9%
******************************
*CENTRAL GOVERNMENT FINANCES*
******************************
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1981)          112 (82)           124 (83)          104
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1981)          129 (82)           122 (83)          113
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1981)          -17 (82)             2 (83)           -9
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    )      % (81)  9.3% (82)  9.7%
  AS % OF GNP................. (    )      % (81)  2.2% (82)  2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)                  (1981)     74 (82)     51 (83)     51
  EQUIVALENT TO  3.1 MONTHS OF IMPORTS (1983)
```

```
***************
*FOREIGN TRADE*
***************
MAJOR EXPORTS(1983)COTTON           ,COFFEE          ,DIAMONDS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    5  (1983)    3  (1984)    3
   AS % OF TOTAL EXPORTS (1981)    4% (1982)    5% (1983)   3%

MAJOR IMPORTS(1983)TEXTILES         ,PETROLEUM PROD ,MACHINERY

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1981)    3  (1982)    5  (1983)    1
   AS % OF TOTAL IMPORTS (1981)    2% (1982)    4% (1983)   1%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -27(82)    -38(83)   -23

TRADING PARTNERS: FRANCE ,BELGIUM ,JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    52.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)..................................(1983)    17
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....(1983)  15.1%
**************
*SOCIAL DATA*
**************
POPULATION GROWTH RATE...(1970)   2.3% (1978)   2.6% (1985)  3.0%

POPULATION IN URBAN AREAS.............(1970)     31%   (1985)    32%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)      .    (1985)     47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (    )      . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 41.3% (15-64YRS) 55.6% (65+ YRS)  3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 134

PEOPLE PER PHYSICIAN..................... (1979) 26,750

MAJOR CAUSES OF
DISEASE (1980) MALARIA           ,INTESTINAL INFEC,HELMINTHIASIS
DEATH.. (    ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    96%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1978)  17%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1981)  TOTAL  69.3   MALE  89.0    FEMALE  50.1
SECONDARY........ (1981)  TOTAL  14.9   MALE  19.3    FEMALE   7.5
POST SECONDARY.. (1981)  TOTAL   1.0   MALE   1.8    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      8.1%
```

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years - Millions of Dollars)

COUNTRY CENTRAL AFRICA REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE - TOTAL	1.8	1.8	2.7	1.5	3.6	25.1	-	25.1
Loans	-	-	-	-	-	-	-	-
Grants	1.8	1.8	2.7	1.5	3.6	25.1	-	25.1
a. A.I.D. and Predecessor Agencies	-	-	1.2	-	1.2	8.7	-	8.7
Loans	-	-	-	-	-	-	-	-
Grants	-	-	1.2	-	1.2	8.7	-	8.7
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	0.5	0.4	0.4	-	0.4	5.0	-	5.0
Loans	-	-	-	-	-	-	-	-
Grants	0.5	0.4	0.4	-	0.4	5.0	-	5.0
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.5	0.4	0.4	-	0.4	5.0	-	5.0
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.4	0.4	-	0.4	4.9	-	4.9
Voluntary Relief Agencies	-	-	-	-	-	0.1	-	0.1
c. Other Economic Assistance	1.3	1.4	1.1	1.5	2.0	11.4	-	11.4
Loans	-	-	-	-	-	-	-	-
Grants	1.3	1.4	1.1	1.5	2.0	11.4	-	11.4
Peace Corps	1.3	1.4	1.1	1.5	2.0	11.4	-	11.4
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	-	-	*	*	0.1	0.2	-	0.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	*	0.1	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	*	*	0.1	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1.8	1.8	2.7	1.5	3.7	25.3	-	25.3
Loans	-	-	-	-	-	-	-	-
Grants	1.8	1.8	2.7	1.5	3.7	25.3	-	25.3
Other U.S. Government Loans and Grants	-	0.1	-	-	-	2.8	4.1	1.3-
a. Export-Import Bank Loans	-	0.1	-	-	-	2.8	4.1	1.3-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	19.7	12.0	15.6	272.8
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	1.4	0.0	8.0	87.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	14.9	5.4	7.6	70.1
UNDP	3.4	4.3	0.0	33.1
OTHER-UN	0.0	2.3	0.0	8.0
EEC	0.0	0.0	0.0	74.4

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	1.0	1.0	5.0
France	59.3	54.1	318.4
Germany,Fed. Rep.	3.3	4.7	24.3
Japan	4.2	4.2	11.8
Netherlands	0.5	0.1	2.4
Other	1.6	1.2	6.0
Total	69.9	65.3	367.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1976-83
1.2	N.A.	10.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	5
Eastern Europe	-	-	-
Total		-	5

CENTRAL AFRICAN REPUBLIC

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985 Loans	–	–	–	–	–	–	–	–
Grants	2,000	2,000	–	–	–	–	–	–
Total	2,000	2,000	–	–	–	–	–	–
1986 Loans	–	–	–	–	–	–	–	–
Grants	2,000	2,000	–	–	–	–	–	–
Total	2,000	2,000	–	–	–	–	–	–
1987 Loans	–	–	–	–	–	–	–	–
Grants	2,000	2,000	–	–	–	–	–	–
Total	2,000	2,000	–	–	–	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

-- Continued funding will be provided to AFRICARE for the implementation of the Agricultural Enterprise Development project.

CENTRAL AFRICAN REPUBLIC

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
AID *			
Loans	-	-	-
Grants	873	1,100	1,250
Total AID	873	1,100	1,250
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	873	1,100	1,250

* AID levels represent actual and estimated expenditures.
** P.L. 480 levels represent actual and estimated value of shipments.

P.L. 480 *(In thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I	-	-	-	-	-	-
Wheat						
Rice						
Feedgrains						
Vegoil						
Non food						
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II a/	-	-	-	-	-	-
Voluntary Agencies						
Government - to - Government						
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

a/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country.

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[illegible]	[illegible]	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]	[illegible]

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TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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organizations are being used to implement the program. The Peace Corps is providing Volunteers to supplement the technical assistance effort.

A.I.D. Program (FY 1985-1986)

Agriculture and Rural Development: The Rural Development project (676-0015), began in 1982 and is being implemented in collaboration with the Peace Corps. The project demonstrates methods for improving the diet of rural, small subsistence farmers and ways to augment their incomes by increasing the production and marketing of fish, honey, beeswax and rice. A U.S. private voluntary organization, AFRICARE, was invited to expand upon the rice and apiculture portions of the project in a follow-on activity scheduled to begin in FY 1986: the Agricultural Enterprise Development project (676-0017). The Post Harvest Food Systems project (676-0016), begun in 1984, is being implemented under a joint venture cooperative agreement with two PVOs, Volunteers in Technical Assistance (VITA) and AFRICARE. Steady progress is being made in identifying and introducing technologies which decrease food storage and processing losses.

Health: The regional Combatting Childhood Communicable Diseases project (698-0421) was begun in 1984 and is assisting the government by providing oral rehydration salts and vaccines to regional health centers for distribution to children in rural areas. The project is being implemented in collaboration with the Centers for Disease Control.

Education and Human Resources: The regional African Manpower Development Program II project (698-0433) is providing both long and short-term training, including a series of very successful in-country University of Pittsburgh management seminars for government officials.

Requested Year Program (FY 1987)

A.I.D. is requesting $2.0 million in FY 1987, which will provide continued funding for AFRICARE to implement the Rural Enterprises Development project.

MISSION DIRECTOR: Jay P. Johnson
(Resident in Yaounde)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRAL AFR REPUBLIC

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
CAR - RURAL DEVELOPMENT		G	676-0015	82	82	1,000	1,000	1,000	549	---	150	---	150
POST HARVEST FOOD SYSTEM (PVO)		G	676-0016	84	86	3,700	3,700	3,200	513	500	750	---	600
AGRICULTURAL ENTERPRISE DEVELOPMENT		G	676-0017	86	87	---	3,500	---	---	1,500	200	2,000	600
TOTAL FOR ACCOUNT						4,700	8,200	4,200	1,061	2,000	1,100	2,000	1,350
GRANTS						4,700	8,200	4,200	1,061	2,000	1,100	2,000	1,350
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						4,700	8,200	4,200	1,061	2,000	1,100	2,000	1,350
GRANTS						4,700	8,200	4,200	1,061	2,000	1,100	2,000	1,350
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

CHAD

97

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (677) CHAD

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      5,036

PER CAPITA GNP.......... (DOLLARS,1982)         79

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)   . %

ANNUAL RATE OF INFLATION (1973-83)  8.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 44.2  MALE 42.8  FEMALE 45.6
                    (1970)   TOTAL 40.1  MALE 39.0  FEMALE 41.3

ADULT LITERACY RATE  (1983)   TOTAL   6%  MALE  12%  FEMALE   1%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1982)    40%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        10


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: MILLET ,SORGHUM ,PEANUTS                32%   (1984)
  CASH: COTTON .. ..                                    5%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RAW SUGAR ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)      .%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1974)          69 (75)          85 (76)          85
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1974)          80 (75)          95 (76)          97
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1974)         -11 (75)         -10 (76)         -12
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1974) 19.1% (75) 19.9% (76) 25.8%
  AS % OF GNP................. (1974)  4.0% (75)  3.8% (76)  5.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1981)    12 (82)    17 (83)    32
  EQUIVALENT TO  2.7 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COTTON         ,MEAT           ,FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)   64  (1984)    0
   AS % OF TOTAL EXPORTS (1977)   0% (1982)    0% (1983)  58%

MAJOR IMPORTS(1983)CEMENT         ,PETROLEUM      ,FLOUR

IMPORTS FROM U S.
   ($ MILLIONS, US, CIF) (1982)    2  (1983)   14  (1984)   19
   AS % OF TOTAL IMPORTS (1981)   1% (1982)    3% (1983)  15%

TRADE BALANCE($ MILLIONS, U.S.)(1981)      2(82)    -24(83)   -21

TRADING PARTNERS: FRANCE ,GERMANY, FEDER ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1982)    75.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).................................. (1983)     1
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   0.8%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.1% (1978)   0.8% (1985)  3.8%

POPULATION IN URBAN AREAS............(1970)    11%   (1985)   22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    51

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
               (0-14YRS) 40.3% (15-64YRS) 56.1% (65+ YRS)  3.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 140

PEOPLE PER PHYSICIAN................ (1978) 47,644

MAJOR CAUSES OF
DISEASE (1982) PARASITIC DISEAS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (1982) PNEUMONIA        ,TETANUS          ,TUBERCULOSIS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    76%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  30%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY........ (1976)  TOTAL  33.7   MALE  49.5    FEMALE  18.0
SECONDARY...... (1976)  TOTAL   3.7   MALE   7.4    FEMALE   0.0
POST SECONDARY.. (1976)  TOTAL   0.2   MALE   0.3    FEMALE   0.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)      . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY CHAD

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	3.8	-	6.2	5.3	16.0	92.5	-	92.5
Loans	-	-	-	-	-	-	-	-
Grants	3.8	-	6.2	5.3	16.0	92.5	-	92.5
a. A.I.D. and Predecessor Agencies	0.2	-	3.7	2.0	11.0	41.3	-	41.3
Loans	-	-	-	-	-	-	-	-
Grants	0.2	-	3.7	2.0	11.0	41.3	-	41.3
(Economic Support Fund)	-	-	2.5	-	3.0	5.8		
b. Food for Peace (PL 480)	3.6	-	2.5	3.3	5.0	43.2	-	43.2
Loans	-	-	-	-	-	-	-	-
Grants	3.6	-	2.5	3.3	5.0	43.2	-	43.2
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	3.6	-	2.5	3.3	5.0	43.2	-	43.2
Emerg. Relief, Econ. Develop. & World Food Program	2.9	-	1.2	1.9	3.8	35.8	-	35.8
Voluntary Relief Agencies	0.7	-	1.3	1.4	1.2	7.4	-	7.4
c. Other Economic Assistance	-	-	-	-	-	8.0	-	8.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	8.0	-	8.0
Peace Corps	-	-	-	-	-	8.0	-	8.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	*	2.2	2.2	-	2.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	2.2	2.2	-	2.2
a. MAP Grants	-	-	-	-	2.0	2.0	-	2.0
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	*	0.2	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	3.8	-	6.2	5.3	18.2	94.7	-	94.7
Loans	-	-	-	-	-	-	-	-
Grants	3.8	-	6.2	5.3	18.2	94.7	-	94.7
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	4.5	5.2	6.2	286.8
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	80.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	49.1
UNDP	4.5	5.2	0.0	34.7
OTHER-UN	0.0	0.0	6.2	15.8
EEC	0.0	0.0	0.0	106.8

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	4.0	7.0	41.0
France	23.4	25.9	183.1
Germany,Fed. Rep.	2.3	4.6	16.9
Norway	0.4	0.2	8.9
Switzerland	1.4	2.2	7.9
Other	3.7	2.4	13.5
Total	35.2	42.3	271.3

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
3.8	N.A.	9.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	5
Eastern Europe	-	-	-
Total			5

CHAD

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other a/
1985								
Loans	-	-	-	-	-	-	-	-
Grants	14,075	-	-	-	-	-	5,000	9,075
Total	14,075	-	-	-	-	-	5,000	9,075
1986								
Loans	-	-	-	-	-	-	-	-
Grants	8,785	-	-	-	-	-	4,785	4,000
Total	8,785	-	-	-	-	-	4,785	4,000
1987								
Loans	-	-	-	-	-	-	-	-
Grants	11,000	-	-	-	-	-	7,000	4,000
Total	11,000	-	-	-	-	-	7,000	4,000

a/ Sahel Development Program

FY 1987 PROGRAM HIGHLIGHTS

Implementation of two major projects continues:

- Road maintenance with 11 contract personnel in-country ($7 million).
- PVO development initiatives consisting of follow-up PVO activities in private enterprise and agriculture production ($4 million).

CHAD

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY** 1985 **(Actual)**	**FY** 1986 **(Estimated)**	**FY** 1987 **(Proposed)**
Aid *			
Loans	-	-	-
Grants	2,511	15,889	8,332
Total AID	2,511	15,889	8,332
P.L. 480 **			
Title I			
(of which Title III is)	(-)	(-)	(-)
Title II	8,161	1,255	1,002
Total P.L. 480	8,161	1,255	1,002
Total AID and P.L. 480	10,672	17,144	9,334

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	**FY** 1985 **(Actual)**		**FY** 1986 **(Estimated)**		**FY** 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II [1/]						
Voluntary Agencies	23,330	6,281	6,176	1,255	5,039	1,002
Government - to - Government	7,500	1,880	-	-	-	-
Title II Total	30,830	8,161	6,176	1,255	5,039	1,002
Total P.L. 480	30,830	8,161	6,176	1,255	5,039	1,002

[1/] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA

Category	FY (Actual)	FY (Estimated)	FY (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	8	9	9
PASA[b]	1	–	–
TOTAL	9	9	9

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	10	10	3	10	13	6	10	16
TOTAL	–	10	10	3	10	13	6	10	16

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	16	36	52	24	25	49	36	25	61
TOTAL	16	36	52	24	25	49	36	25	61

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

CHAD

Development Overview

Chad is one of the poorest countries in the world ($80 per capita GNP). The massive dislocation of the economy and of people's lives brought on by twenty years of civil war climaxed by the heavy fighting in N'Djamena between 1979-1982, along with successive years of drought, have lowered the standard of living for all Chadians.

Nonetheless, political and economic conditions-with the exception of the cotton sector-have improved over the past year even though Libya still occupies the northern section of the country. Despite the lack of rain in 1984 and severely inadequate government finances, the economy began slowly to recover in some areas. The Government of Chad (GOC), now more stable and recognized by most of the international community, has made steady progress in re-establishing security, fostering a national consensus, rebuilding the civil service, promoting reconstruction and doing its best to meet the needs of a diverse population in those areas over which it has control. As evidence of the improved conditions in the south, Chadians who had earlier fled the country are now returning in significant numbers. Moreover, there are other hopeful signs: A consortium, with ESSO as the leading partner, is carrying on a program of exploratory oil drilling. The abundant rainfall in 1985 may give Chad its largest harvest in ten years, minimizing food import needs. However, since agricultural production still remains largely dependent on the vagaries of rainfall, renewed interest is being taken in the potential for irrigated agriculture, especially in the Sahelian zone of the country.

Banking institutions have been re-established, but capital is insufficient to meet recovery and development needs. Despite conservative fiscal measures, the GOC financial situation continues to deteriorate. Chad's tax base is very weak because cotton provides some 50 percent of total GOC revenue. Unfortunately, when world cotton prices fell dramatically in 1985, making cotton exportation unprofitable, there was an estimated loss in revenue of $45 million resulting in substantial budgetary deficits. This situation also endangers the banking system if the cotton industry is unable to repay the huge sums it owes. Social and political problems can also be anticipated if cotton farmers are unable to earn reasonable incomes. All of these conditions may present an opportunity for increased Libyan military activity in Chad.

In spite of these many problems the Government is making a sincere effort at improving the quality of Chadian life as evidenced by the new three-year plan, reviewed by donors and the GOC in December 1985 at the UNDP Round Table Conference in Geneva. The GOC and donors agreed to concentrate on small and medium-scale irrigation not requiring parastatal management. Also agreed upon was the establishment of donor-coordinating committees for the agriculture, transport and cotton sectors.

U.S. Interests and Objectives

The primary U.S. political interest in Chad is to help assure the country's independence and territorial integrity and thus contribute to stability in the region. Libya's continued military occupation of the northern 40 percent of Chad and its campaign of subversion in the south, make our assistance critical as Chad tries to maintain its sovereignty and build a base for economic growth.

The U.S. also has a strong humanitarian interest in Chad with the aim of lessening the effect of drought and restoring the country's war-torn economy. U.S. support is primarily aimed at increasing Chad's food production.

A.I.D.'s Development Strategy

AID's development strategy is centered on the revitalization of the agricultural sector where the small farmer is the pivotal force. Recognizing that lack of water is the most serious impediment to increased agricultural production, A.I.D.'s activities in this sector will focus on the need to expand small-farm irrigation and to improve conservation and utilization of rainwater. In addition, the lack of roads seriously hinders access to rural farming areas - a crucial element in insuring adequate farm-gate prices and incentives for the small rural producer. Due to the proven ability of PVOs to work effectively with small farmers, A.I.D. will rely exclusively on PVOs to carry out agriculture projects. Complementing this effort, A.I.D. will continue to assist Chad's Ministry of Public Works to upgrade its ability to maintain roads linking the rural zones.

A.I.D. Program (FYs 1985-1986)

Chad's financial crisis, caused in part by the decline in the price for its key foreign exchange earner, cotton, and the costs associated with defending itself against further Libyan expansion, hinders the government's ability to finance its operation. To assist in reducing this severe budgetary deficit (estimated at $22 million for 1986) A.I.D. proposes to provide $2 million in ESF budget support in FY 1986. These funds, to be disbursed over a one-year period, will enable civilian ministries to function by helping to pay salaries of ministry employees and general operational expenses.

The PVO Development Initiatives Project (677-0051) finances agriculture and private enterprise projects carried out by American PVOs. The initial activity, undertaken by CARE, will attempt to exploit the high water tables along the Chari River and in the areas surrounding Lake Chad. The project will introduce improved pumping systems, animal traction and soil conservation methods. AFRICARE is expected to develop a similar activity in other regions of the country.

Closely related to the agriculture sector, the Strengthening Road Maintenance Project (677-0050) provides equipment and technical assistance to develop the institutional capacity within the GOC's Public Works Ministry to maintain the rural road system. An integral component of the training process is the rehabilitation of the key road leading from the potentially highly-productive area of Lake Chad toward the capital.

CHAD

The combination of over 73,000 MT of Title II emergency and regular program commodities and $9.4 million for logistical support and disaster assistance contributed significantly to averting widespread hunger and malnutrition in Chad during the latest drought. P.L. 480 Title II food was channeled through CARE, the League of Red Cross Societies and the World Food Program. A GOC emergency sales program provided local currency proceeds that reinforced the disaster assistance effort, i.e., funds were used in multi-donor efforts in agriculture and resettlement.

Requested Year Program (FY 1987)

While no new projects are planned for FY 1987, additional funds are proposed to continue existing projects. Specifically, Sahel funding of $4 million is requested for the PVO Development Initiatives Project (677-0051) to expand upon on-going agriculture and private enterprise activities. ESF funds of $7.0 million are requested to continue support of the Strengthening Road Maintenance Project (677-0050).

A.I.D. Representative: John B. Woods

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CHAD

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUT'D	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SAHEL DEVELOPMENT PROGRAM													
RURAL SANITARY WATER		G	677-0022	78	79	1,669	968	968	829	---	139	---	---
RELIEF & REHABILITATION ACTIVITIES I		G	677-0041	83	84	5,500	5,500	5,500	2,758	---	2,500	---	242
STRENGTHENING ROAD MAINTENANCE		G	677-0050	95	85	5,000	10,000	5,000	---	---	3,000	---	1,000
PVO DEVELOPMENT INITIATIVES		G	677-0051	95	88	12,725	12,725	3,725	---	4,000	2,000	4,000	2,000
ORAL REHYDRATION THERAPY		G	677-0934	95	85	350	350	350	10	---	250	---	90
TOTAL FOR ACCOUNT						25,244	29,543	15,543	3,597	4,000	7,889	4,000	3,332
GRANTS						25,244	29,543	15,543	3,597	4,000	7,889	4,000	3,332
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
STRENGTHENING DEVELOPMENT MINISTRIES		G	677-0047	84	84	3,000	3,000	3,000	2,000	---	1,000	---	---
STRENGTHENING ROAD MAINTENANCE		G	677-0050	85	87	22,500	22,500	5,000	---	2,785	5,000	7,000	5,000
STRENGTHENING DEVELOPMENT MINISTRIES II		G	677-0052	86	86	---	2,000	---	---	2,000	2,000	---	---
TOTAL FOR ACCOUNT						25,500	27,500	8,000	2,000	4,785	8,000	7,000	5,000
GRANTS						25,500	27,500	8,000	2,000	4,785	8,000	7,000	5,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						50,744	57,043	23,543	5,597	8,785	15,889	11,000	8,332
GRANTS						50,744	57,043	23,543	5,597	8,785	15,889	11,000	8,332
LOANS						---	---	---	---	---	---	---	---

[illegible]

[illegible]

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

COMOROS

107

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                                               FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (602) COMOROS

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)        469

PER CAPITA GNP.......... (DOLLARS,1982)        339

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -0.6%

ANNUAL RATE OF INFLATION (    .- .)     %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(     )     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 53.0  MALE 52.0  FEMALE 53.9
                    (1970)   TOTAL 46.7  MALE 42.9  FEMALE 50.7

ADULT LITERACY RATE  (1966)   TOTAL  58%  MALE  66%  FEMALE  52%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (    .-    .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(    .)     .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       324


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: COCONUTS ,CASSAVA ,BANANAS               71%   (1984)
  CASH: COCONUTS ,VANILLA ,CLOVES                       30%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) PERFUME ESSENCE ,VANILLA ,CLOVES

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)     .%
----------------------------
*CENTRAL GOVERNMENT FINANCES*
----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (    .)          . ( .)          . ( .)          .
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (    .)          . ( .)          . ( .)          .
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (    .)          . ( .)          . ( .)          .
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)   . % ( .)    . %
  AS % OF GNP................. (    .)   . % ( .)   . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (    .)    . ( .)    . ( .)     .
  EQUIVALENT TO    .  MONTHS OF IMPORTS (    .)
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*FORFIGN TRADE*
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MAJOR EXPORTS(1983)PERFUME OILS    .VANILLA        .COPRA

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    5  (1983)    4  (1984)    2
   AS % OF TOTAL EXPORTS (    .)    .% (    .)    .% (    .)   .%

MAJOR IMPORTS(1983)RICE            .CEMENT         .FUEL

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    1  (1983)    0  (1984)    1
   AS % OF TOTAL IMPORTS (    .)    .% (    )    .% (    .)   .%

TRADE BALANCE($ MILLIONS, U.S.)(    .)      .( .)       .( .)

TRADING PARTNERS: FRANCE ,UNITED STATES ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1982)     144%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)     2
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    )      %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   3.3% (1978)   3.4% (1985)  2.9%

POPULATION IN URBAN AREAS............(1970)     8%  (1985)   24%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .   (1985)    44

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)    . %

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 45.7% (15-64YRS) 51.4% (65+ YRS)  2.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  91

PEOPLE PER PHYSICIAN................ (1978) 15,950

MAJOR CAUSES OF
DISEASE (1975) CHOLERA         ,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (  . .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    89%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(    .)    .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL   107   MALE   124    FEMALE  89.8
SECONDARY....... (1980)  TOTAL  30.9   MALE  40.4    FEMALE  21.2
POST SECONDARY.. (    .)  TOTAL    .   MALE    .     FEMALE    .

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY COMOROS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	0.3	0.4	0.7	0.4	1.6	3.3	-	3.3
Loans	-	-	-	-	-	-	-	-
Grants	0.3	0.4	0.7	0.4	1.6	3.3	-	3.3
a. A.I.D. and Predecessor Agencies	-	-	-	-	0.8	0.8	-	0.8
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	0.8	0.8	-	0.8
(Economic Support Fund)	-	-	-	-	*	-		
b. Food for Peace (PL 480)	0.3	0.4	0.7	0.4	0.8	2.5	-	2.5
Loans	-	-	-	-	-	-	-	-
Grants	0.3	0.4	0.7	0.4	0.8	2.5	-	2.5
Title I – Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	0.3	0.4	0.7	0.4	0.8	2.5	-	2.5
Emerg. Relief, Econ. Develop. & World Food Program	0.3	0.4	0.7	0.4	0.8	2.5	-	2.5
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.3	0.4	0.7	0.4	1.6	3.3	-	3.3
Loans	-	-	-	-	-	-	-	-
Grants	0.3	0.4	0.7	0.4	1.6	3.3	-	3.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	2.3	8.3	5.4	85.9
IBRD	0.6	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	2.3	7.8	0.0	32.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.5	0.0	0.0
AFDB	0.0	0.0	5.4	42.6
UNDP	0.0	0.3	0.0	10.0
OTHER-UN	0.0	0.2	0.0	0.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	-	-	
France	12.2	10.5	61.7
Japan	0.7	1.7	4.0
Belgium	0.1	0.8	3.3
Germany,Fed. Rep.	0.6	0.8	2.7
Other	0.6	1.9	4.5
Total	14.2	15.7	76.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
10.9	N.A.	45.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

COMOROS

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	400	400	–	–	–	–	–	–
Total	400	400	–	–	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	750	750	–	–	–	–	–	–
Total	750	750	–	–	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	700	700	–	–	–	–	–	–
Total	700	700	–	–	–	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

- Continued support of the CARE Operational Program Grant which provides support for garage maintenance training, and soil conservation and water development activities ($.7 million).

COMOROS

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	–	–	–
Grants	227	1,703	700
Total AID	227	1,703	700
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	227	1,703	700

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

COMOROS

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	–	–	–
PASA [b]	–	–	–
TOTAL	–	–	–

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel, One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S. [a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	–	–	–	–	–	–	3	3	6
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	3	3	6

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES [a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

COMOROS

Development Overview

The Comoros archipelago consists of four volcanic islands located in the Mozambique Channel halfway between Madagascar and Tanzania. Three of the islands form the Federal Islamic Republic of the Comoros and one remains associated with France. Comoros has a population of 469,000, with a growth rate of 2.9%, and a per capita income of $339. The economy is overwhelmingly agricultural and exports consist mainly of vanilla, copra, cloves, and ylang-ylang, an oil used for perfumes. These exports do not provide enough foreign exchange to cover imports of rice, fuel and other consumer goods. Thus, there is a chronic deficit in the balance of payments which is covered by substantial assistance inflows.

While the Government is aware of the need for development, its options are limited. Deforestation is a major problem in the agriculture sector. The road network and transportation infrastructure are rudimentary. Maize production as a substitute for imported rice is being encouraged, but viable export alternatives are extremely limited. Fishing is constrained by the lack of port facilities. The industrial base is practically non-existent, in part because of the relatively small market and inter-island transportation and communication difficulties. Health care is provided free, though it is limited by lack of facilities and trained manpower. The Comoros became independent in 1975 and has not had sufficient time to develop and retain an adequate cadre of trained personnel.

The economic outlook for the immediate future is bleak, as the possible import substitution effects of maize production will take several years to have an impact on the balance of payments. Food, mostly in the form of rice, accounts for over 30% of imports; this share must be reduced to free foreign exchange resources for critical development needs. The major exports, vanilla and cloves, have good prospects in international markets, but prices for secondary exports, copra and ylang-ylang, remain severely depressed with little prospect for early recovery.

U. S. Interests and Objectives

The Comoros are strategically located at the northern entrance of the Mozambique channel. The Government is openly friendly to the United States, which seeks to provide support and encourage the Comoros' pro-Western orientation through economic and humanitarian support.

A.I.D Development Strategy

A.I.D. is providing assistance in the Comoros through CARE, which has established a local headquarters operation with a country representative. A.I.D. is also coordinating its activities with the World Food Program which is carrying out a complementary food-for-work program in the Comoros.

COMOROS

A.I.D. Program (FYs 1985-1986)

A.I.D. funding for the Comoros was $400,000 in FY 1985 and $750,000 in FY 86 for two CARE OPG sub-activities in garage maintenance training and land conservation. Both activities have shown promising signs of accomplishing their objectives. CARE anticipates stimulating contributions from other countries, such as Canada and Germany, to expand activities once initial progress is achieved.

Requested Year Program (FY 1987)

A.I.D requests $700,000 under the Agriculture and Rural Development Account to continue funding the CARE OPG.

Director Regional Economic Development Services Office, East and Southern Africa (REDSO/ESA): John W. Koehring (Resident in Nairobi)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: COMOROS

CP 87

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
				AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
CARE (PVO)	G 602-0001	84	88	3,500	3,500	1,180	227	750	1,703	700	700
TOTAL FOR ACCOUNT				3,500	3,500	1,180	227	750	1,703	700	700
GRANTS				3,500	3,500	1,180	227	750	1,703	700	700
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				3,500	3,500	1,180	227	750	1,703	700	700
GRANTS				3,500	3,500	1,180	227	750	1,703	700	700
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

CONGO

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (679) CONGO

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)       1,798

PER CAPITA GNP.......... (DOLLARS,1983)       1,230

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.5%

ANNUAL RATE OF INFLATION (1973-83) 12.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)       %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 63.1  MALE 61.3  FEMALE 65.0
                    (1970)   TOTAL 57.6  MALE 55.8  FEMALE 59.5

ADULT LITERACY RATE  (1961)  TOTAL  16%  MALE  30%  FEMALE   3%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (   .-   .)     . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     7%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        16


MAJOR CROP(S)                                 ARABLE LAND  YEAR
  SUBSISTENCE: CASSAVA ,PLANTAINS ,BANANAS           13%   (1984)
  CASH: COFFEE ,PEANUTS ,PALM OIL                     2%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,COCOA BEANS ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)      .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
            (1975)        223 (76)        202 (80)          758
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
            (1970)         64 (71)         72 (80)          847
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
            (1970)         -4 (71)         -9 (80)          -89
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % (70) 13.3% (71) 16.1%
  AS % OF GNP................. (    .)   . % (70)  3.2% (71)  3.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (1981)   128 (82)    42 (83)     12
  EQUIVALENT TO  0.1 MONTHS OF IMPORTS (1983)
```

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---------------
*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)OIL              ,LUMBER          ,TOBACCO

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  504  (1983)  781  (1984)  959
   AS % OF TOTAL EXPORTS (1981)   14% (1982)   50% (1983)   78%

MAJOR IMPORTS(1983)MACHINERY        ,TRANSP EQ       ,MFRD CONSUMER G

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   76  (1983)   17  (1984)   13
   AS % OF TOTAL IMPORTS (1981)    4% (1982)   13% (1983)    3%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    269(82)    445(83)   417

TRADING PARTNERS  UNITED STATES ,FRANCE ,ITALY

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)      100%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   238
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)...  (1983)  22.3%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.6% (1978)   2.8% (1985)  3.0%

POPULATION IN URBAN AREAS............(1970)    38%   (1985)   48%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)     45

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)      %

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 45.1% (15-64YRS) 51.1% (65+ YRS)  3.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 110

PEOPLE PER PHYSICIAN................. (1978)  5,507

MAJOR CAUSES OF
DISEASE (1982) MEASLES         ,MALARIA          ,ENTERIC DISEASE
DEATH.. (    ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   103%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  25%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY ........ (1981)  TOTAL   143   MALE   147     FEMALE   138
SECONDARY....... (1981)  TOTAL  81.3   MALE  92.8     FEMALE  68.8
POST SECONDARY.. (1980)  TOTAL   4.3   MALE   7.5     FEMALE   1.3

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     4712%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY CONGO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	1.0	2.3	3.4	1.0	1.0	18.1	0.2	17.9
Loans	-	-	1.9	-	-	1.9	0.2	1.7
Grants	1.0	2.3	1.5	1.0	1.0	16.2	-	16.2
a. **A.I.D. and Predecessor Agencies**	0.2	2.0	1.0	1.0	1.0	6.9	-	6.9
Loans	-	-	-	-	-	-	-	-
Grants	0.2	2.0	1.0	1.0	1.0	6.9	-	6.9
(Economic Support Fund)	-	-	-	-	-	-		
b. **Food for Peace (PL 480)**	0.8	0.3	2.4	-	-	11.1	0.2	10.9
Loans	-	-	1.9	-	-	1.9	0.2	1.7
Grants	0.8	0.3	0.5	-	-	9.2	-	9.2
Title I - Total Sales Agreements	-	-	1.9	-	-	1.9	0.2	1.7
Repayable in U.S. Dollars - Loans	-	-	1.9	-	-	1.9	0.2	1.7
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.8	0.3	0.5	-	-	9.2	-	9.2
Emerg. Relief, Econ. Develop. & World Food Program	0.8	0.3	0.5	-	-	8.9	-	8.9
Voluntary Relief Agencies	-	-	-	-	-	0.3	-	0.3
c. **Other Economic Assistance**	-	-	-	-	-	0.1	-	0.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	0.1	-	0.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	-	-	*	0.1	*	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	0.1	*	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	*	0.1	*	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	1.0	2.3	3.4	1.1	1.0	18.2	0.2	18.0
Loans	-	-	1.9	-	-	1.9	0.2	1.7
Grants	1.0	2.3	1.5	1.1	1.0	16.3	-	16.3
Other U.S. Government Loans and Grants	-	-	-	-	33.8	40.8	2.5	38.3
a. Export-Import Bank Loans	-	-	-	-	33.8	40.8	2.5	38.3
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	36.2	7.3	2.3	339.1
IBRD	35.7	0.0	0.0	111.7
IFC	0.0	1.5	0.0	5.2
IDA	0.0	0.0	0.0	74.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	2.3	36.0
UNDP	0.2	1.8	0.0	26.1
OTHER-UN	0.3	0.0	0.0	2.5
EEC	0.0	4.0	0.0	83.6

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	3.0	2.0	5.0
France	51.8	47.2	285.8
Germany,Fed. Rep.	4.3	6.8	24.1
Canada	0.9	1.5	10.6
Netherlands	0.2	0.6	2.1
Other	1.9	0.7	6.6
Total	62.1	58.8	334.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
7.6	N.A.	44.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	75
Eastern Europe	-	-	65
Total		-	140

CONGO

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	1,000	812	-	188	-	-	-	-
Total	1,000	812	-	188	-	-	-	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	475	475	-	-	-	-	-	-
Total	475	475	-	-	-	-	-	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	500	188	-	-	312	-	-	-
Total	500	188	-	-	312	-	-	-

FY 1987
PROGRAM HIGHLIGHTS

-- Complete funding of the CARE Smallholder Agricultural Development project involving marketing, storage, farm to market transport, seed multiplication and training activities in two rural regions ($188,000).

-- Initiate a new Manpower Training project to augment managerial and technical skills in key development sectors ($312,000).

CONGO

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY 1985 (Actual)**	**FY 1986 (Estimated)**	**FY 1987 (Proposed)**
Aid *			
Loans	-	-	-
Grants	1,428	1,600	1,032
Total AID	1,428	1,600	1,032
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	1,428	1,600	1,032

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(In thousands of dollars)*						
Program	**FY 1985 (Actual)**		**FY 1986 (Estimated)**		**FY 1987 (Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I	-	-	-	-	-	-
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/	-	-	-	-	-	-
Voluntary Agencies						
Government - to - Government						
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

CONGO

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	–	–	–
PASA[b]	1	1	1
TOTAL	1	1	1

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	5	5	10
Regional[e]	3	12	15	3	14	17	3	16	19
TOTAL	3	12	15	3	14	17	8	21	29

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	2	2	–	2	2	6	2	8
TOTAL	–	2	2	–	2	2	6	2	8

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

CONGO

Development Overview

The Congolese Government began its first Five Year Plan in 1982 with two principal priorities: improved infrastructure and increased agricultural production. These priorities are closely related to the country's overall goal of developing an alternative economic base to sustain the country after its known petroleum reserves are depleted in the 1990s. Reductions in petroleum revenues have forced the Government to reassess its plan and to undertake increased budgetary austerity and to seek ways of attracting foreign capital and expertise.

Agricultural productivity gains remain a high priority for the Congo due to continued heavy dependence on imported foodstuffs. Much of the public investment planned for infrastructure is designed to eliminate serious farm-to-market transportation bottlenecks.

The Congo is also addressing another serious development obstacle, insufficient administrative management capacity, by increasing training opportunities for its managers for both private and public sectors with the help of A.I.D. and other donors.

U.S. Interests and Objectives

U.S.-Congolese commercial relations have grown since diplomatic relations were reestablished in 1977 after a twelve-year hiatus. This has been due in part to the Congo's efforts to diversify its economic partners. U.S. objectives in the Congo include: encouraging the country to play a moderating and stabilizing role in central Africa and to exercise restraint and responsibility in international fora; supporting Congolese initiatives to develop sound economic development policies; pursuing further trade and investment opportunities; and maintaining access to the Congo's resources.

A.I.D. Development Strategy

The A.I.D. program is designed to increase small farmer incomes and strengthen the Congolese private sector while fostering a positive image for the United States. Agricultural activities include technical assistance in crop preservation and storage methods as well as assistance to improve local crop marketing institutions. In health, a regional project is strengthening the ability of Congolese institutions to deliver health services. Training activities, funded under both bilateral and regional projects, will grow in importance as an overall program priority. Management and technical training broadens the exposure of Congolese leaders, managers and technicians to American institutions, philosophy, skills and know-how.

CONGO

A.I.D. Program (FYs 1985-1986)

In the agriculture sector, CARE is carrying out two bilateral projects, Smallholder Agricultural Development I and II (679-0001 and 679-0002). Resources are directed at improving the crop marketing system, providing improved seeds (peanuts, rice and corn), enhancing crop preservation (including improved and expanded storage facilities) and training of agriculture sector personnel. The original project is centered in the northern part of the Niari Valley, a productive agricultural area. The second project extends activities to the adjacent Lekoumou region. The marketing of peanuts in the project areas increased from 90 tons in 1982 to 665 tons in 1984. Some 190 persons have been trained at the local level. As a result of a July 1985 in-depth evaluation, it was decided to restructure both projects, terminating marginal activities and expanding those that have demonstrable long-term developmental impacts.

In the health sector, a regionally-funded FY 1984 health project, Combatting Childhood Communicable Diseases, aims at continuing reinforcement of the country's nationwide immunization program for children, and adds malaria control and oral rehydration therapy elements. The project is being implemented as part of a tripartite arrangement among the United States, the Congo and France, all of whom contribute resources and share management responsibilities for the nation-wide immunization effort. Under this project, the number of children covered by vaccines against measles, polio, and other childhood diseases in Brazzaville increased by one-third between 1983 and 1985, with smaller, but significant, increases in rural areas.

To support A.I.D.'s objective of strengthening management and technical skills of Congolese administrators and technicians, short-term training (U.S., in-country and in other African countries) is provided through the regional African Manpower Development and AFGRAD Programs, chiefly in agriculture, health and management.

Requested Year Program (FY 1987)

The $188,000 requested for the Smallholder Agriculture Development II project (679-0002) will complete A.I.D. funding for this CARE activity. The funds will support on-going activities in the Lekoumou region and complete participant training.

The new FY 1987 Manpower Training project (679-0007), for which $312,000 is being requested, is aimed at focusing the A.I.D. program in the Congo on increasing the availability of skilled Congolese manpower in priority development areas.

MISSION DIRECTOR: Richard L. Podol
(Resident in Zaire)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: CONGO

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
SMALLHOLDER AGRICULTURE DEV. I (PVO)		G	679-0001	81	86	3,475	3,475	3,000	2,853	475	600	---	22
SMALLHOLDER AGRICULTURE DEV. II (PVO)		G	679-0002	82	87	3,000	3,000	2,812	1,090	---	1,000	188	910
TOTAL FOR ACCOUNT						6,475	6,475	5,812	3,943	475	1,600	188	932
GRANTS						6,475	6,475	5,812	3,943	475	1,600	188	932
LOANS						---	---	---	---	---	---	---	---
HEALTH													
NUTRITION EDUCATION II (PVO)		G	679-0006	85	85	188	188	188	171	---	---	---	---
TOTAL FOR ACCOUNT						188	188	188	171	---	---	---	---
GRANTS						188	188	188	171	---	---	---	---
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
MANPOWER TRAINING	*	G	679-0007	87	91	---	2,000	---	---	---	---	312	100
TOTAL FOR ACCOUNT						---	2,000	---	---	---	---	312	100
GRANTS						---	2,000	---	---	---	---	312	100
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						6,663	8,663	6,000	4,114	475	1,600	500	1,032
GRANTS						6,663	8,663	6,000	4,114	475	1,600	500	1,032
LOANS						---	---	---	---	---	---	---	---

---

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: CONGO

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Manpower Training				FY 1987 312	Life of Project Funding 2,000	
Number 679-0007 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR 312	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991	Estimated Completion Date of Project FY 1993

Purpose: To increase the availability of trained private and public sector manpower in important development fields.

Project Description: This project will support advanced academic and short-term training of Congolese public and private sector managers and technicians in skills needed for priority sectors. The project will complement and expand training opportunities available under A.I.D. regional training projects at a time when Congolese budget constraints restrict manpower investments.

The project will fund long-term academic training in the United States, particularly for key Congolese Government personnel. Their exposure to the U.S. system of economic organization and management may have an important influence on the evolution of public policy in the Congo. Short-term training, in the United States and third countries, will support sectoral goals in agriculture and health, particularly to reinforce required program planning and management skills. Short-term training opportunities will also be offered to private sector managers, entrepreneurs and technicians. Project funds will provide technical assistance and trainer inputs for in-country seminars, chiefly for middle and upper-level people who cannot participate in long-term training. U.S. agricultural training will use graduate degree programs to assist technical divisions of the Ministry of Agriculture and Livestock in carrying out their policy and support functions. Emphasis will be on: crop production, preservation and marketing; infrastructure development; economics; and decentralized planning and policy formulation. U.S. degree training in health will concentrate on the design and implementation of health sector programs such as immunization, malarial control and oral rehydration. Short-term training will be provided, mainly in the Congo and third countries, for technical and middle-management skills. A special component of short-term training will be directed to public sector policy makers and private sector managers and entrepreneurs. This component will include financial management, marketing and related business administration skills.

Relationship to A.I.D. Country Strategy: A.I.D. strategy in the Congo has focused on (1) increasing agricultural production by improving marketing and transportation bottlenecks and (2) improving the quality of life by strengthening the country's health service delivery system. Key to achieving these objectives is enlarging the pool of skilled manpower working on these priority topics. This project will become the chief source of funding for A.I.D. training activities in the Congo.

Beneficiaries: This project will benefit institutions either working directly with small farm development or maternal/child health or providing policy guidance or other inputs to their operations. Private sector firms and individuals will also benefit. In total, some 210 people are expected to be trained under this project.

Host Country and Other Donors: France is the major provider of external academic and technical training in the Congo. Because of the Congo's continuing budget stringencies, it probably will not be able to make more than nominal contributions to this project.

Major Outputs: Key development institutions with staff better able to carry out their policy and program functions; stronger private sector enterprises; and a larger pool of skilled manpower.

A.I.D. Financed Inputs:	Life of Project ($000)
Long-term academic training in the U.S. and third countries; short-term technical training in the Congo and third countries.	2,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	—	—	—
Estimated Fiscal Year 1986	—	—	
Estimated Through September 30, 1986	—	—	—
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	312	1,688	2,000

Principal Contractors or Agencies

To be selected.

DJIBOUTI

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                         FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY:  (603) DJIBQUTI

-------------
*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)            297

PER CAPITA GNP.........  (DOLLARS,1982)            480

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -3.6%

ANNUAL RATE OF INFLATION (   .-  .)   .%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(     )       .%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 48.1   MALE 46.5   FEMALE 49.8
                     (1970)   TOTAL   .    MALE   .    FEMALE   .

ADULT LITERACY RATE  (    .)  TOTAL   .%  MALE   .%  FEMALE   .%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (   .-   .)      .%

AGRICULTURAL PRODUCTION AS % OF GDP..............(    .)      .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)     .   138

                                               ARABLE LAND   YEAR
MAJOR CROP(S)                                      99%     (1984)
  SUBSISTENCE: VEGETABLES ,FRUIT ,GRAINS             .%     (1984)
  CASH: LIVESTOCK .. ..

MAJOR AGRICULTURAL EXPORTS:(1984) HIDES AND SKINS .. .

MAJOR AGRICULTURAL IMPORTS:(1984) GRAINS ,DAIRY PRODS. ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE.......(    .)     .%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                                   .(79)       126 (80)        177
            (    .)
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                                   .(79)       115 (80)        154
            (    .)
   DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                                   .(79)        11 (80)         23
            (    .)
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES..  (     )    .% (  .)    .% (79) 27.9%
  AS % OF GNP.................  (     )    .% (  .)    .% (79) 12.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)               (    .)     .(  .)     .(  .)
  EQUIVALENT TO   .  MONTHS OF IMPORTS (    .)

---------------
*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)HIDES AND SKINS,TRANSIT/COFFEE .

EXPORTS TO U.S.
  ($ MILLIONS, US, FOB) (1977)    0  (1982)     0  (1984)    0
  AS % OF TOTAL EXPORTS (    .)    .% (    )     .% (    .)   .%

MAJOR IMPORTS(1983)FOODS               ,MACHINERY      ,TRANSP EQ

IMPORTS FROM U.S.
  ($ MILLIONS, US, CIF) (1982)    8  (1983)     7  (1984)    9
  AS % OF TOTAL IMPORTS (    .)    .% (    )     .% (    )    %

TRADE BALANCE($ MILLIONS, U.S.)(     .)     .(   )      .(   )

TRADING PARTNERS: FRANCE ,ETHIOPIA ,JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1982)    30.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
  ($ MILLIONS, U.S.)...................................(1983)     4
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....(    .)     .%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE.. (1970)   6.5% (1978)   6.1% (1985)  2.5%

POPULATION IN URBAN AREAS............(1970)    62%   (1982)   67%

LIVE BIRTHS PER 1,000 POPULATION .....1970)            (1985)    43

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION   (    .)      .%

POPULATION (1985) IN AGE GROUP
                (0-14YRS) 46.0% (15-64YRS) 51.3% (65+ YRS)  2.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 132

PEOPLE PER PHYSICIAN ....................(1982)  1,964

MAJOR CAUSES OF                                        ,TUBERCULOSIS
DISEASE (1981) INFLUENZA        ,MEASLES              ,UNKNOWN AILMENTS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (    .)      .%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  45%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
                                       MALE  42.2      FEMALE  34.2
PRIMARY.........(1982)  TOTAL  37.1    MALE            FEMALE
SECONDARY.......(1982)  TOTAL  13.3    MALE            FEMALE
POST SECONDARY..(    .) TOTAL          MALE            FEMALE

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)         .%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY DJIBOUTI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	1.9	5.3	3.7	3.4	4.3	21.5	-	21.5
Loans	-	-	-	-	-	-	-	-
Grants	1.9	5.3	3.7	3.4	4.3	21.5	-	21.5
a. **A.I.D. and Predecessor Agencies**	1.1	4.2	2.0	2.0	3.0	13.6	-	13.6
Loans	-	-	-	-	-	-	-	-
Grants	1.1	4.2	2.0	2.0	3.0	13.6	-	13.6
(Economic Support Fund)	-	2.0	2.0	2.0	3.0	9.0		
b. **Food for Peace (PL 480)**	0.8	1.1	1.7	1.4	1.3	7.9	-	7.9
Loans	-	-	-	-	-	-	-	-
Grants	0.8	1.1	1.7	1.4	1.3	7.9	-	7.9
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.8	1.1	1.7	1.4	1.3	7.9	-	7.9
Emerg. Relief, Econ. Develop. & World Food Program	*	-	-	-	-	1.5	-	1.5
Voluntary Relief Agencies	0.8	1.1	1.7	1.4	1.3	6.4	-	6.4
c. **Other Economic Assistance**	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	-	-	0.1	1.6	2.1	3.9	-	3.9
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	0.1	1.6	2.1	3.9	-	3.9
a. MAP Grants	-	-	-	1.5	2.0	3.5	-	3.5
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	0.1	0.1	0.1	0.4	-	0.4
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	1.9	5.3	3.8	5.0	6.4	25.4	-	25.4
Loans	-	-	-	-	-	-	-	-
Grants	1.9	5.3	3.8	5.0	6.4	25.4	-	25.4
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	19.5	6.0	12.7	46.3
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	6.4	6.0	10.0	25.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	12.8	0.0	2.5	15.3
UNDP	0.1	0.0	0.0	4.8
OTHER-UN	0.2	0.0	0.2	0.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	3.0	2.0	13.0
France	40.4	36.2	182.7
Germany,Fed. Rep.	1.9	2.8	12.0
Sweden	-	-	0.9
Italy	0.1	0.1	0.6
Other	0.3	0.7	1.9
Total	45.7	41.8	211.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.7	N.A.	109.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

DJIBOUTI

ECONOMIC SUPPORT FUND PROGRAM SUMMARY *(In millions of dollars)*	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	3.5	3.350	5.0

Development Overview

Djibouti faces an array of external and internal social and economic problems. Small, lacking in resources, and only recently independent, it is strategically located between two powerfully armed warring neighbors.

Lack of trained manpower and infrastructure hinders efforts to develop its limited resources. Yet despite these handicaps, Djibouti has established a remarkable record of stability, an open economy, and humane reception of refugees.

Djibouti's resources are scanty even for a least developed nation. There is no permanent surface water flow; land under cultivation is limited to a few small garden plots at the edge of the city and a limited number of modest experimental tracts in rural areas. Practically all food is imported. There is some artisanal fishing. Nomads tend cattle, sheep, and camels in the hinterlands. Industry is limited to mineral-water and soft drink bottling plants and a dairy products reconstitution facility, all of modest scale.

The economy is service oriented and consists of four sub-units: Djibouti city with its port, airport, rail terminal and government services; a French military installation, the largest single source of economic and commercial activity in the country; substantial intraregional commerce, involving mostly the reexportation of consumer goods; and the sparsely populated back country which has little contact, monetarily or otherwise, with the first three sub-units.

The service sector dominates the economy, providing about three quarters of the gross domestic product, while agriculture, livestock, fisheries and industry together account for the other fourth.

U.S. Interests and Objectives

Djibouti's strategic location and facilities make it important to U.S. security interests on the Horn of Africa and in the Middle East. In economic development, the United States encourages Djibouti to assess its strengths and weaknesses objectively and exploit present and potential strengths. Effective donor coordination and collaboration are considered essential to this process.

DJIBOUTI

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	-	-
Grants	3,943	4,000	4,587
Total AID	3,943	4,000	4,587
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	1,450	-	-
Total P.L. 480	1,450	-	-
Total AID and P.L. 480	5,393	4,000	4,587

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	-	-	-	-	-	-
(of which Title III is)	(-)	(-)	(-)	(-)	(-)	(-)
Title II 1/						
Voluntary Agencies	3,571	1,450	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total	3,571	1,450	-	-	-	-
Total P.L. 480	3,571	1,450	-	-	-	-

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

DJIBOUTI

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	2	1	1
PASA[b]	0	0	0
TOTAL	2	1	1

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	5	5	0	7	7	0	8	8
Regional[e]	0	11	11	0	10	10	0	10	10
TOTAL	0	16	16	0	17	17	0	18	18

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	0	0	0	0	0	0	0	0
Regional[e]	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

DJIBOUTI

A.I.D. Development Strategy

A.I.D. strategy is to identify specific areas in which aid can be used to assist the GROD and support overall U.S. policy interests. The areas have been selected to (1) contribute to the development and economic stability of Djibouti; (2) encourage donor cooperation; and (3) minimize the management and staff requirements associated with implementation. A.I.D. strategy is changing to focus on improving Djibouti's economic base and financial stability through non-project assistance (scheduled to start in FY 87). Specific project activities undertaken during the earlier phases of assistance are being funded at planned levels and phased out as they are completed.

A.I.D. Program (FYs 1985 and 1986)

Fisheries: Strengthening the fishing industry by improvement in marketing and production techniques continues in Phase II of this project (603-0015). Complementary initiatives are planned with UNICEF to upgrade nutritional standards.

Manpower Development and Training: Through the Human Resources Development Project (603-0017) A.I.D. aims to upgrade the capability of GROD cadre to manage the National Development Program.

Energy Initiatives: The ongoing Energy Initiatives (603-0013) involves institution building, prototype development, and education. Based on a comprehensive energy assessment, future activity will propagate energy conservation techniques and energy-efficient construction.

Housing and Urban Development: A.I.D. has approved a five-year $5.5 million activity (603-0020), in cooperation with IBRD, to upgrade the urban environment for about a third of the city's population.

Child Survival: Djibouti benefits from a centrally-funded world-wide child survival program through a grant made by A.I.D. directly to UNICEF.

Requested Year Program (FY 1987)

The proposed funding level of $5.0 million is programmed for completing the funding necessary for the ongoing projects described above, as well as to finance the first tranche of a Non-Project Assistance activity. The Program Support Grant will provide financial resources, either directly or via appropriate international organizations, to improve Djibouti's economic base and financial stability.

A.I.D. Representative: John Lundgren

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DJIBOUTI

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND													
ENERGY INITIATIVES		G	603-0013	81	82	4,000	4,000	4,000	2,811	---	1,000	---	189
FISHERIES DEVELOPMENT PHASE II		G	603-0015	84	86	2,998	3,298	2,400	733	898	1,000	---	898
HUMAN RESOURCES DEVELOPMENT-I (PVO)		G	603-0017	84	86	2,300	2,300	1,900	555	400	500	---	500
HOUSING AND URBAN DEVELOPMENT		G	603-0020	84	88	5,500	5,500	2,000	---	2,052	1,500	1,448	1,500
PROGRAM SUPPORT GRANT	*	G	603-0022	87	89	---	8,000	---	---	---	---	3,552	1,500
TOTAL FOR ACCOUNT						14,798	23,098	10,300	4,099	3,350	4,000	5,000	4,587
GRANTS						14,798	23,098	10,300	4,099	3,350	4,000	5,000	4,587
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						14,798	23,098	10,300	4,099	3,350	4,000	5,000	4,587
GRANTS						14,798	23,098	10,300	4,099	3,350	4,000	5,000	4,587
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM DJIBOUTI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Program Support Grant	ESF			FY 1987 2,552	Life of Project Funding 8,000	
Number 603-0022 ☒ NEW ☒ GRANT ☐ LOAN ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989	Estimated Completion Date of Project FY 1991

__Purpose__: To provide continuing assistance to the Republic of Djibouti through employment generation and trade enhancement.

__Project Description__: Djibouti's desert-type terrain makes exploitation of agriculture impractical while humanitarian assistance is being addressed by numerous other donors. A limited number of other possibilities for establishing national economic self-sufficiency depend on development of trade and industry in a flexible manner, addressing rapidly changing trends. The activity now under design will provide support to further progress in this direction. It will comprise:

A. Continued institutional development and budget support to maintain Djibouti's stable economy, the only one in the Horn of Africa region which practices free trade and has a convertible currency.

B. Training support, to the extent this is not covered by the African Manpower Development Project (AMDP II), to address Djibouti's serious shortage of qualified managers. Training will take place locally to the maximum extent possible with less emphasis on short-term U.S. or third-country training.

C. Development of linkages, through contract or similar mechanisms, with relevant organizations elsewhere, especially to public and private sources of advisory support and investment. These will include but not be limited to academic institutions, labor unions and management societies, trade associations, etc. The overall purpose in this development of linkages will be to improve Djibouti's position as a trading center for the Horn of Africa, and, in future, a center for the Middle East and East Africa.

__Relationship of Project to A.I.D. Strategy__: The A.I.D. strategy in Djibouti is based on the need to nourish the development impact of U.S. support in a manner which is not excessively management-intensive. The present project meets this requirement while continuing to address critical development needs within Djibouti itself by using non-project delivery modes.

__Host Country and Other Donors__: The project will be implemented through the National Ministry of Planning or another Djiboutian government agency to be designated, and through a variety of non-governmental entities including private companies, universities and research institutions, and possibly voluntary agencies. The project will be designed to complement the non-project assistance provided by France and Saudi Arabia and project-type assistance provided by a number of bilateral donors.

__Beneficiaries__: The ultimate beneficiaries of this project will be the nation's 200,000 non-pastoralists, who will find employment opportunities increasing both in total numbers and in level.

__Major Outputs__: Improved economy.

__A.I.D. Financed Inputs__	__Life-of-Project__ ($000)
Cash Grant	$8,000

U.S. FINANCING (In thousands of dollars)			
	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,552	5,448	8,000

Principal Contractors or Agencies

To be selected

AID 370-7 (11-86)

EQUATORIAL GUINEA

COUNTRY: (653) EQUATORIAL GUINEA

FY 87 CP ECONOMIC AND SOCIAL DATA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 350

PER CAPITA GNP........ (DOLLARS,)

ANNUAL PER CAPITA REAL GNP GROWTH RATE..(-) %

ANNUAL RATE OF INFLATION (-) %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION ( ) %

LIFE EXPECTANCY AT BIRTH, IN YEARS
(1985) TOTAL 44.2 MALE 42.8 FEMALE 45.6
(1970) TOTAL 37.2 MALE 35.6 FEMALE 38.8

ADULT LITERACY RATE (1980) TOTAL 37% MALE % FEMALE %

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
(-) %

AGRICULTURAL PRODUCTION AS % OF GDP .... (1970) 47%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1983) 107

MAJOR CROP(S) ARABLE LAND YEAR
SUBSISTENCE: CASSAVA ,PLANTAINS ,COCOYAMS [illegible] (1984)
CASH: COCOA BEANS ,COFFEE [illegible] (1984)

MAJOR AGRICULTURAL EXPORTS (1984) COCOA BEANS ,COFFEE

MAJOR AGRICULTURAL IMPORTS (1984) WHEAT ,RICE ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE .... (1980) [illegible]

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1981) [illegible] [illegible] [illegible]

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1981) [illegible] [illegible] [illegible]

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1981) [illegible] [illegible] [illegible]

DEFENSE EXPENDITURES
AS % OF TOTAL EXPENDITURES ( ) % ( ) % [illegible]
AS % OF GNP ( ) % ( ) % ( ) %

OFFICIAL INTERNATIONAL RESERVES GROSS HOLDINGS END OF PERIOD
($MILLIONS, U.S.) ( ) ( ) ( )
EQUIVALENT TO MONTHS OF IMPORTS ( )

FOREIGN TRADE

MAJOR EXPORTS(1983)COCOA ,COFFEE ,WOOD

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981) 0 (1983) 0 (1984) 1
AS % OF TOTAL EXPORTS (1971) 10% (1972) 4% (1973) 34%

MAJOR IMPORTS(1983)FOODSTUFFS ,FUELS & LUBRICA,MANUFACT'D GDS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 1 (1983) 1 (1984) 0
AS % OF TOTAL IMPORTS ( ) .% (1971) 10% (1972) 17%

TRADE BALANCE($ MILLIONS, U.S.)(1970) [illegible] [illegible] [illegible]

TRADING PARTNERS: SPAIN ,NETHERLANDS ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 53.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.) .... (1983) [illegible]
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)..... ( ) %

SOCIAL DATA

POPULATION GROWTH RATE ... (1970) [illegible] (1978) [illegible] (1985) [illegible]

POPULATION IN URBAN AREAS .... (1970) [illegible] (1985) [illegible]

LIVE BIRTHS PER 1,000 POPULATION ..... (1970) (1985) [illegible]

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION ( ) %

POPULATION (1985) IN AGE GROUP:
(0-14YRS) [illegible] (15-64YRS) [illegible] (65+ YRS) [illegible]

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) [illegible]

PEOPLE PER PHYSICIAN .... (1980) [illegible]

MAJOR CAUSES OF
DISEASE ( ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH ( ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS ( ) %

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY ( ) %

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY (1970) TOTAL [illegible] MALE [illegible] FEMALE [illegible]
SECONDARY (1970) TOTAL [illegible] MALE [illegible] FEMALE [illegible]
POST SECONDARY (1981) TOTAL [illegible] MALE [illegible] FEMALE [illegible]

ENERGY PRODUCTION AS % OF CONSUMPTION .... (1984) [illegible]

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

COUNTRY: EQUATORIAL GUINEA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE - TOTAL	-	1.0	1.1	1.1	1.9	5.1	-	5.1
Loans	-	-	-	-	-	-	-	-
Grants	-	1.0	1.1	1.1	1.9	5.1	-	5.1
a. A.I.D. and Predecessor Agencies	-	1.0	1.0	1.0	1.0	4.0	-	4.0
Loans	-	-	-	-	-	-	-	-
Grants	-	1.0	1.0	1.0	1.0	4.0	-	4.0
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	-	-	0.1	0.1	0.9	1.1	-	1.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	0.1	0.1	0.9	1.1	-	1.1
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	0.1	0.1	0.9	1.1	-	1.1
Emergency Relief, Econ. Develop. & World Food Program	-	-	0.1	0.1	0.9	1.1	-	1.1
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	-	-	*	0.1	0.1	0.3	-	0.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	0.1	0.1	0.3	-	0.3
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	*	0.1	0.1	0.3	-	0.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	1.0	1.1	1.2	2.0	5.4	-	5.4
Loans	-	-	-	-	-	-	-	-
Grants	-	1.0	1.1	1.2	2.0	5.4	-	5.4
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF OTHER DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	CY 1982	CY 1983	CY 1984	CY 1946-84
TOTAL.........	10.1	7.3	25.2	55.6
IBRD	0.0	0.0	0.0	2.0
IFC	0.0	0.0	0.0	0.0
IDA	2.6	6.0	9.1	17.7
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	5.2	0.1	13.7	27.1
UNDP	2.3	0.8	2.0	9.6
OTHER-UN	0.0	0.4	0.0	0.4
EEC	0.0	0.0	1.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	n/a	2
Eastern Europe	-	-	-
Total	-		2

EQUATORIAL GUINEA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	1,000	1,000	–	–	–	–	–	–
Total	1,000	1,000	–	–	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	1,000	1,000	–	–	–	–	–	–
Total	1,000	1,000	–	–	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	1,000	1,000	–	–	–	–	–	–
Total	1,000	1,000	–	–	–	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

-- Increased technical, commodity and training assistance will be provided to small farmer cooperatives through the Cooperative Development project ($1.0 million).

EQUATORIAL GUINEA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	–	–	–
Grants	901	1,000	1,309
Total AID	901	1,000	1,309
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	901	1,000	1,309

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I	–	–	–	–	–	–
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government						
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

EQUATORIAL GUINEA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	–	–	–
PASA[b]	–	–	–
TOTAL	–	–	–

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	7	–	7	18	–	18	24	–	24
TOTAL	7	–	7	18	–	18	24	–	24

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

EQUATORIAL GUINEA

Development Overview

At the time of independence from Spain in 1968, Equatorial Guinea had an efficient export-oriented economy in cocoa, coffee, and hardwoods. This economy, however, was dependent upon expatriate labor and management. With a comparative economic advantage in the production of cocoa, the country imported foodstuffs to supplement items produced locally. Educational and health systems were highly developed, featuring a literacy rate of 89 percent and five hospital beds per 1,000 inhabitants.

During the despotic Macias regime in 1968-1979, the highly organized economy disintegrated completely. Total population dropped by fully one-third, from 300,000 to 200,000. By the August 1979 coup, Equatorial Guinea was in social, political, and administrative chaos. The economy, inherited by the new government, consisted of abandoned cocoa and coffee holdings, a decaying transport infrastructure, a decimated fishing fleet and an agricultural sector that had reverted to subsistence farming. The devastation of the economy in the 1970's was accompanied by a complete disarray in public finances. In spite of efforts to introduce discipline in the budgetary process, large deficits have occurred because of (1) slow economic recovery, (2) the lack of a well-defined, centralized system to control expenditures, and (3) haphazard and intermittent collection of revenues.

The Government of Equatorial Guinea's initial steps to address its primary problems have resulted in a modest but clear upturn in the country's economy over the past year. Most importantly, Equatorial Guinea was admitted into the Central African Customs Union (UDEAC) and the Central Bank of UDEAC countries within the CFA franc zone (BEAC). Steps have been taken to energize government administration, bolster political and social institutions, create an economic environment favorable to raising production of food and cash crops, and attract foreign financing on concessionary terms.

The Government is aware of the fact that its very limited administrative and managerial capacity represents the most serious obstacle to economic reconstruction. It has, therefore, asked for and received technical assistance from bilateral and international donors so that it can pursue its adjustment efforts more rigorously and use foreign aid more productively. France and the World Bank are the largest contributors. Given Equatorial Guinea's rich endowment of natural resources, there is considerable potential for economic growth.

U.S. Interests and Objectives

The U.S. Government has a political interest in providing tangible support to those countries which have shown themselves prepared to embark on serious efforts toward political and economic reform. Shortly following the overthrow of Macias, the new government of Equatorial Guinea requested the United States to establish a diplomatic presence and provide assistance to counteract lingering Soviet influence.

EQUATORIAL GUINEA

A.I.D. Development Strategy

U.S. strategy is to concentrate on reviving agricultural cooperatives and providing agricultural extension services using U.S. cooperatives and private voluntary organizations as implementing agents. The Peace Corps will begin placing volunteers in Equatorial Guinea in early FY 1986. Some of these volunteers are expected to work directly within A.I.D. projects.

A.I.D. Program (FY's 1985-1986)

All of A.I.D.'s resources are concentrated in the agricultural sector under two projects. The first, the Agriculture Development project (653-0001), originally was to provide inputs to cooperatives and revive an abandoned poultry center. FY 1985 saw the re-orientation of the poultry component to emphasize small farmer poultry production in conjunction with corn and rabbit production and vegetable growing. This resulted in an improved awareness by the Ministry of Agriculture of underlying constraints, both in management and input requirements, for successful agricultural production activities. The cooperative support component was integrated with the Cooperative Development project (653-0002). The implementing agent, the National Cooperative Business Association (NCBA), established a functioning transportation system which continues to expand the number of cooperatives it is able to serve, improve food availability in the capital city, increase income for a large number of small farmer members of cooperatives and has received public recognition from the President of the country.

Bachelor degree training at Western Illinois University is being provided for seven Equatoguineans in agricultural science under the regional African Manpower Development Program II. An additional ten students are scheduled to begin bachelor's programs under the regional AFGRAD III project in FY 1986 in disciplines such as agriculture, home economics, mathematics, engineering and economics.

Requested Year Program (FY 1987)

In FY 1987, A.I.D. is requesting $1 million. These funds will be used to expand the National Cooperative Business Association's efforts in technical assistance, training and input support for the agricultural cooperatives of Equatorial Guinea.

MISSION DIRECTOR: Jay P. Johnson
(Resident in Yaounde)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EQUATORIAL GUINEA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
AGRICULTURE DEVELOPMENT (PVO)		G	653-0001	81	82	2,000	2,000	2,000	1,684	---	---	---	109
COOPERATIVE DEVELOPMENT (PVO)		G	653-0002	83	88	3,000	6,000	3,000	812	1,000	1,000	1,000	1,200
TOTAL FOR ACCOUNT						5,000	8,000	5,000	2,496	1,000	1,000	1,000	1,309
GRANTS						5,000	8,000	5,000	2,496	1,000	1,000	1,000	1,309
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						5,000	8,000	5,000	2,496	1,000	1,000	1,000	1,309
GRANTS						5,000	8,000	5,000	2,496	1,000	1,000	1,000	1,309
LOANS						---	---	---	---	---	---	---	---

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[*] Refer to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

GAMBIA

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                                                      FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (635) GAMBIA, THE

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)        751

PER CAPITA GNP.......... (DOLLARS,1983)        290

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.4%

ANNUAL RATE OF INFLATION (1973-83) 10.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..( .  .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 39.9  MALE 39.1  FEMALE 40.8
                      (1970)   TOTAL 37.6  MALE 36.9  FEMALE 38.3

ADULT LITERACY RATE  (1980)   TOTAL  20%  MALE  29%  FEMALE  12%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                                 (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP ............(1982)   27%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      159


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,MILLET ,SORGHUM                  27%   (1984)
  CASH: PEANUTS .. ..                                 38%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) PEANUTS .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(   .)     .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1976)       21 (77)         28 (78)        49
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1976)       24 (77)         40 (78)        67
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1976)       -3 (77)        -12 (78)       -17
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)   . % ( .)   . % ( .)   . %
  AS % OF GNP................. (   .)   . % ( .)   . % ( .)   . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PEPIOD.
  ($MILLIONS, U.S.)            (1982)     8 (83)     3 (84)    ·2
  EQUIVALENT TO  0.3 MONTHS OF IMPORTS (1981)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PEANUT AND PROD.FISH          .PALM KERNELS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    0  (1984)    1
   AS % OF TOTAL EXPORTS (1979)    0% (1980)    0% (1981)    1%

MAJOR IMPORTS(1983)TEXTILES        .FOODSTUFFS      .TOBACCO

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    6  (1983)    6  (1984)   16
   AS % OF TOTAL IMPORTS (1979)    9% (1980)    3% (1981)   4%

TRADE BALANCE($ MILLIONS, U.S.)(1979)    -41(80)    -89(81)   -79

TRADING PARTNERS: UNITED KINGDOM ,CHINA ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     125%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)     6
      AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)..... (1981)   5.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.8% (1978)   3.5% (1984)  3.5%

POPULATION IN URBAN AREAS............(1970)    15%   (1985)   21%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)    . %

POPULATION (1985) IN AGE GROUP:
                      (0-14YRS) 42.5% (15-64YRS) 55.2% (65+ YRS)  2.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 191

PEOPLE PER PHYSICIAN................ (1978) 12,306

MAJOR CAUSES OF
DISEASE (1980) MALARIA          ,GONORRHEA        ,SCHISTOSOMIASIS
DEATH.. (1967) GASTROINTESTINAL,FLU & PNEUMONIA ,MALARIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    91%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)  12%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  51.2   MALE  64.9    FEMALE  37.3
SECONDARY....... (1982)  TOTAL  14.4   MALE  16.7    FEMALE   6.8
POST SECONDARY.. (1980)  TOTAL   0.5   MALE   0.8    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION............(1982)        . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY GAMBIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	7.4	7.7	3.1	5.1	7.9	46.5	-	46.5
Loans	-	-	-	-	-	-	-	-
Grants	7.4	7.7	3.1	5.1	7.9	46.5	-	46.5
a. A.I.D. and Predecessor Agencies	4.7	5.6	1.2	3.9	3.7	21.3	-	21.3
Loans	-	-	-	-	-	-	-	-
Grants	4.7	5.6	1.2	3.9	3.7	21.3	-	21.3
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	1.9	1.3	1.1	0.4	3.3	17.4	-	17.4
Loans	-	-	-	-	-	-	-	-
Grants	1.9	1.3	1.1	0.4	3.3	17.4	-	17.4
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.9	1.3	1.1	0.4	3.3	17.4	-	17.4
Emerg. Relief, Econ. Develop. & World Food Program	1.2	0.2	0.3	-	2.1	9.6	-	9.6
Voluntary Relief Agencies	0.7	1.1	0.8	0.4	1.2	7.8	-	7.8
c. Other Economic Assistance	0.8	0.4	0.8	0.5	0.9	7.8	-	7.8
Loans	-	-	-	-	-	-	-	-
Grants	0.8	0.8	0.8	0.8	0.9	7.8	-	7.8
Peace Corps	0.8	0.8	0.8	0.8	0.9	7.8	-	7.8
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	7.4	7.7	3.1	5.1	7.9	46.5	-	46.5
Loans	-	-	-	-	-	-	-	-
Grants	7.4	7.7	3.1	5.1	7.9	46.5	-	46.5
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	21.8	24.2	0.0	126.0
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	3.0	0.0	3.0
IDA	0.0	20.9	0.0	56.3
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	17.7	0.0	0.0	51.9
UNDP	3.7	0.3	0.0	11.0
OTHER-UN	0.4	0.0	0.0	1.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	6.0	6.0	24.0
Germany,Fed. Rep.	7.2	8.3	42.1
United Kingdom	4.3	3.6	30.0
Netherlands	1.0	0.7	6.2
Japan	3.8	0.1	4.5
Other	2.1	3.1	12.7
Total	24.4	21.8	119.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
3.8	N.A.	43.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	2
Eastern Europe	-	-	-
Total	-	-	2

THE GAMBIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs a/	
							ESF	Other
1985								
Loans	--	--	--	--	--	--	--	--
Grants	4,581	--	--	--	--	--	--	4,581
Total	4,581	--	--	--	--	--	--	4,581
1986								
Loans	--	--	--	--	--	--	--	--
Grants	4,000	--	--	--	--	--	--	4,000
Total	4,000	--	--	--	--	--	--	4,000
1987								
Loans	--	--	--	--	--	--	--	--
Grants	4,000	--	--	--	--	--	--	4,000
Total	4,000	--	--	--	--	--	--	4,000

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- Development of an Agriculture Research program to promote new technology for increased diversified crop production - $3,960,000.

- Continuation of P.L. 480 Title II Section 206 commodities to alleviate annual food deficits, to provide local currency for agriculture development and to reinforce multi-donor stabilization activities - $3,143,000.

THE GAMBIA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	--	--	--
Grants	3,248	7,874	4,895
Total AID	3,248	7,874	4,895
P.L. 480 **			
Title I	--	--	--
(of which Title III is)	(--)	(--)	(--)
Title II	2,599	832	3,143
Total P.L. 480	2,599	832	3,143
Total AID and P.L. 480	5,847	8,706	8,038

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	--	--	--	--	--	--
Rice	--	--	--	--	--	--
Feedgrains	--	--	--	--	--	--
Vegoil	--	--	--	--	--	--
Non-food	--	--	--	--	--	--
Title I Total *(of which Title III is)*	--	--	--	--	--	--
Title II [1]						
Voluntary Agencies	2,037	739	2,546	832	2,546	810
Government - to - Government	6,000	1,860	--	--	8,333	2,333
Title II Total	8,037	2,599	2,546	832	10,879	3,143
Total P.L. 480	8,037	2,599	2,546	832	10,879	3,143

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

THE GAMBIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	5	5	5
PASA[b]	1	1	1
TOTAL	6	6	6

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-*
week).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	12	13	25	16	13	29	11	6	17
Regional[e]	21	11	32	18	15	33	32	18	50
TOTAL	33	24	57	34	28	52	43	24	67

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	10	1	15	4	8	12	6	3	9
Regional[e]	13	5	18	20	7	27	26	14	40
TOTAL	23	6	33	24	15	39	32	17	49

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

THE GAMBIA

Development Overview

The Gambia is one of the poorest countries in the world with a per capita income of $[illegible] in 1984. Further, it immediately faces an economic and financial crisis which surpasses the Government's (GOTG) ability to redress, unless it receives massive outside support.

Small-holder, mixed farming is the primary economic activity. Its share of GDP has declined in recent years, while government services have increased. Groundnuts are the primary source of cash income and supply [illegible] percent of foreign exchange earnings. Domestically-grown maize, millet, sorghum and rice provide sixty to eighty percent of The Gambia's food needs. There is a small tourism industry, a few processing plants (groundnuts, fish, beer and soft drinks), and some small-scale import substitution production of basic chemicals, printing supplies and building materials. The location of Banjul's harbor, The Gambia's position as a long, narrow enclave within Senegal, its free-trade policies, and the over-valued exchange rates and inefficient trade policies of neighboring countries have made [illegible] trade and transport important elements of the Gambian economy.

The causes of The Gambia's economic crisis are ineffective policies, low groundnut prices, poor management, recurring drought, and declining terms of trade. Heavy investments in government and parastatal activities (cotton, irrigated rice, and fisheries) have failed to generate sustainable increases in production and revenue. Increased recurrent, import, and debt-service costs associated with massive investment of basic infrastructure have led to an external debt exceeding [illegible] percent of GDP. Strained finances have eroded the ability of government and parastatals to pay adequate producer prices or to ensure efficient supplies of seed, fertilizer and pesticides. Thus, groundnut production has declined to fifty percent from the levels of a decade ago and attempts to develop alternative sources of cash income, government revenue, and foreign exchange have not yet succeeded.

The GOTG is moving firmly to improve its economic position and realize its economic potential through a World Bank and IMF assisted structural adjustment program. Key features include reduction and rationalization of government involvement in the economy, removal of subsidies and introduction of incentive pricing and exchange-rate adjustments. Several strong measures such as removing price ceilings on rice and liberalizing the rice market have already occurred. Others, such as parastatal reform and civil service reduction, are in preparation.

U.S. Interests and Objectives

U.S. interests in The Gambia are based on humanitarian and development considerations. These compel support for one of the world's poorest countries with a history of parliamentary democracy and a strong orientation toward private enterprise. U.S. interests are served by furnishing food and budgetary relief and helping The Gambia maintain its stability through activities designed to further economic growth.

THE GAMBIA

A.I.D. Development Strategy

A.I.D.'s strategy is to help achieve stabilization and restructuring, while continuing efforts to increase agricultural production for local consumption and export. A.I.D. assistance to The Gambia is thus concentrated in two complementary development areas: (1) agricultural development and (2) economic/financial stabilization and reform.

A.I.D. Program - FYs 1985-1986

Agricultural Development: During FY 1985, A.I.D. assistance focused on increased agricultural production. This expanded the country's maize, sesame seed and forage production as well as improved range management and land reclamation through low cost soil and water conservation methods. It also emphasized village treelots, as well as the introduction of grazing and intercropping on forestry plantations to increase tree survival rates. In FY 1986, as most of these activities phase out, the seven-year $16 million Agriculture Research and Diversification project (635-0219) will begin. Initially building on the activities of earlier projects, it will concentrate on the development and management of a farming-systems research program and attempt to offer an alternative approach to the predominant dependence on groundnut production.

In 1983, Catholic Relief Services (CRS) initiated a pilot sesame oil seed production project. In FY 1985 an Operational Program Grant to CRS provided technical assistance, seeds and processing equipment to increase the number of women producers of edible oil and oilseed cake. This provides a valuable nutritional supplement to families in the project area. CRS intends to develop a follow-on project which will provide a water supply delivery system in areas that have potential for expanded cash crop farming.

Stabilization and Reform: Initiated in FY 1985, The Economic and Financial Policy Analyses Project (635-0225) began training personnel in the GOTG Ministry of Finance and Trade in macroeconomic analysis. Project consultants, working with IMF and IBRD staff, helped the GOTG prepare its economic recovery program. In FY 1986, efforts to institutionalize an economic analysis capability in the GOTG will continue. A P.L. 480 Title II Section 206 program will address The Gambia's perennial food shortage and generate local currency to support agricultural production.

Requested Year Program (FY 1987)

Of the requested $4,000,000 in FY 1987, $3,965,000 will be added to the on-going Agriculture Research and Diversification Project (635-0219). The remaining $45,000 will finance Peace Corps-assisted village self-help activities under the Small Project Assistance - A.I.D./Peace Corps Project (635-0221). In addition, the Food for Peace program for FY 1987, estimated to be valued at $3,143,000, will continue the Catholic Relief Services Maternal Child Health program ($910,000), and the P.L. 480 Title II Section 206 program ($2,143,000).

A.I.D. REPRESENTATIVE: Byron Bahl

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GAMBIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	PY OF INITIAL OBLIG	PY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SAHEL DEVELOPMENT PROGRAM												
SOIL AND WATER RESOURCES MANAGEMENT UNIT	G	635-0202	78	85	2,747	2,747	2,747	2,185	---	334	---	210
MIXED FARMING AND RESOURCE MANAGEMENT	G	635-0203	79	86	9,000	9,000	9,000	7,038	---	1,962	---	---
GAMBIA FORESTRY	G	635-0205	79	79	1,575	1,575	1,575	1,354	---	221	---	---
RURAL ROADS MAINTENANCE SYSTEMS	G	635-0206	79	83	6,344	6,344	6,344	4,013	---	1,311	---	1,020
AGRICULTURAL RESEARCH & DIVERSIFICATION	G	635-0219	85	91	18,000	18,000	3,960	---	3,960	3,081	3,960	2,750
SMALL PROJECT ASSISTANCE-AID/PC	G	635-0221	83	87	200	200	120	59	40	40	40	40
ECONOMIC & FINANCIAL POLICY ANALYSIS	G	635-0225	86	86	2,000	2,000	2,000	15	---	720	---	700
OIL SEEDS PROMOTION (PVO)	G	635-0934	85	85	581	581	581	50	---	205	---	175
TOTAL FOR ACCOUNT					40,447	40,447	26,327	14,714	4,000	7,874	4,000	4,895
GRANTS					40,447	40,447	26,327	14,714	4,000	7,874	4,000	4,895
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					40,447	40,447	26,327	14,714	4,000	7,874	4,000	4,895
GRANTS					40,447	40,447	26,327	14,714	4,000	7,874	4,000	4,895
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

G Level of effort activity

PY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the PY of final obligation is based on a planned date.

153

GHANA

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                                          FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (641) GHANA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      13,004

PER CAPITA GNP.......... (DOLLARS,1983)         310

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -2.1%

ANNUAL RATE OF INFLATION (1973-83) 51.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 57.9  MALE 56.1  FEMALE 59.8
                        (1970)   TOTAL 53.2  MALE 51.7  FEMALE 54.8

ADULT LITERACY RATE  (1970)   TOTAL  30%  MALE  43%  FEMALE  18%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                            (1975-1984)  -4.2%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    53%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       198


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CASSAVA ,CORN ,COCOYAMS                   40%  (1984)
  CASH: COCOA BEANS .. ..                                25%  (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCOA BEANS .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)     .%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                   (1981)     1,192 (82)     1,766 (83) .    2,969
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                   (1981)     2,904 (82)     3,528 (83)      4,400
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                   (1981)    -1,712 (82)    -1,763 (83)     -1,430
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980)  3.7% (81)  6.1% (82)  6.1%
  AS % OF GNP................. (1980)  0.4% (81)  0.7% (82)  0.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)  208 (83)  217 (84)   393
  EQUIVALENT TO  3.4 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COCOA            ,WOOD             ,GOLD

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  337  (1983)  114  (1984)   46
   AS % OF TOTAL EXPORTS (1981)   38% (1982)   61% (1983)  28%

MAJOR IMPORTS(1983)TXTILES/MFRD GD,FOOD               ,FUELS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  128  (1983)  131  (1984)   50
   AS % OF TOTAL IMPORTS (1981)   21% (1982)   24% (1983)  26%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -244(82)     18(83)   -92

TRADING PARTNERS: UNITED KINGDOM ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     2.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................ (1983)    72
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  16.3%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.8% (1978)   1.4% (1985)  4.1%

POPULATION IN URBAN AREAS............(1970)    29%   (1985)   40%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    46    (1985)    42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1979)  12.4%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 48.9% (15-64YRS) 48.7% (65+ YRS)  2.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  75

PEOPLE PER PHYSICIAN................ (1981)  7,161

MAJOR CAUSES OF
DISEASE (1981) MEASLES         ,CHICKEN POX      ,WHOOPING COUGH
DEATH.. (1975) TYPHOID FEVER   ,MEASLES          ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    85%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  47%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  72.5   MALE  80.9    FEMALE  63.9
SECONDARY....... (1982)  TOTAL  45.9   MALE  51.2    FEMALE  30.2
POST SECONDARY.. (1979)  TOTAL   0.8   MALE   1.4    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     34.3%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY GHANA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	27.5	25.8	16.9	7.3	20.2	461.3	163.3	298.0
Loans	19.1	12.1	7.0	-	-	276.5	163.3	113.2
Grants	8.4	13.7	9.9	7.3	20.2	184.8	-	184.8
a. A.I.D. and Predecessor Agencies	10.0	5.0	1.4	-	*	239.2	128.3	110.9
Loans	7.0	-	-	-	-	174.5	128.3	46.2
Grants	3.0	5.0	1.4	-	*	64.7	-	64.7
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	15.7	19.0	13.3	5.1	18.8	188.0	35.0	153.0
Loans	12.1	12.1	7.0	-	-	102.0	35.0	67.0
Grants	3.6	6.9	6.3	5.1	18.8	86.0	-	86.0
Title I - Total Sales Agreements	12.1	12.1	7.0	-	-	103.7	35.0	68.7
Repayable in U.S. Dollars - Loans	12.1	12.1	7.0	-	-	73.2	20.1	53.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	30.5	14.9	15.6
Title II - Total Grants	3.6	6.9	6.3	5.1	18.8	84.3	-	84.3
Emerg. Relief, Econ. Develop. & World Food Program	0.9	0.9	1.8	1.2	1.8	18.3	-	18.3
Voluntary Relief Agencies	2.7	6.0	4.5	3.9	17.0	66.0	-	66.0
c. Other Economic Assistance	1.8	1.8	2.2	2.2	1.4	34.1	-	34.1
Loans	-	-	-	-	-	-	-	-
Grants	1.8	1.8	2.2	2.2	1.4	34.1	-	34.1
Peace Corps	1.8	1.8	2.2	2.2	1.4	34.1	-	34.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.2	0.2	0.3	0.3	0.2	2.3	-	2.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.2	0.3	0.3	0.2	2.3	-	2.3
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.2	0.3	0.3	0.2	2.3	-	2.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	27.7	26.0	17.2	7.6	20.4	463.6	163.3	300.3
Loans	19.1	12.1	7.0	-	-	276.5	163.3	113.2
Grants	8.6	13.9	10.2	7.6	20.4	187.1	-	187.1
Other U.S. Government Loans and Grants	-	-	-	-	-	139.7	107.2	32.5
a. Export-Import Bank Loans	-	-	-	-	-	137.2	106.2	31.0
b. All Other Loans	-	-	-	-	-	2.5	1.0	1.5

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	74.9	218.9	190.3	983.3
IBRD	0.0	0.0	0.0	190.5
IFC	0.0	60.0	0.0	63.0
IDA	73.3	125.0	122.0	528.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	30.9	59.7	120.1
UNDP	1.6	3.0	0.0	47.0
OTHER-UN	0.0	0.0	8.6	21.6
EEC	0.0	0.0	0.0	16.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	18.0	11.0	122.0
Germany,Fed. Rep.	32.4	25.4	159.0
United Kingdom	12.2	10.1	106.3
Canada	8.6	6.2	68.0
Japan	5.2	7.4	34.0
Other	5.8	12.0	53.5
Total	82.2	72.1	542.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
6.5	N.A.	81.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	Negl	10	110
Eastern Europe	Negl	10	160
Total	-	20	270

GHANA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	2,180	–	2,180	–	–	–	–	–
Total	2,180	–	2,180	–	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	3,000	–	3,000	–	–	–	–	–
Total	3,000	–	3,000	–	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	3,000	1,200	1,800	–	–	–	–	–
Total	3,000	1,200	1,800	–	–	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

- $1.2 million grant to finance the transition of the Ghana Seed Company from a wholly owned and operated public entity to one with majority private sector interest.
- $1.8 million grant to finance the social marketing, contraceptive supplies project.
- $8.0 million in P.L. 480, Title I assistance to provide raw cotton to increase domestic textile production and also to provide rice to obviate foreign exchange outlays for an important food commodity.
- $7.3 million in P.L. 480, Title II assistance to improve nutrition for children and mothers in rural development, self-help programs.

GHANA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	184	1,200	1,200
Grants	14	3,745	5,276
Total AID	198	4,945	6,476
P.L. 480 **			
Title I	5,900	8,000	8,000
(of which Title III is)	(–)	(–)	(–)
Title II	10,226	6,686	7,295
Total P.L. 480	16,126	14,686	15,295
Total AID and P.L. 480	16,324	19,631	21,771

AID levels represent actual and estimated expenditures
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	10,000	3,000	7,000	2,000	11,000	3,000
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	2,000	2,900	4,000	6,000	9,000	5,000
Title I Total	12,000	5,900	11,000	8,000	20,000	8,000
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	21,096	7,374	22,141	6,686	24,431	7,295
Government - to - Government	9,202	2,852	–	–	–	–
Title II Total	30,298	10,226	22,141	6,686	24,431	7,295
Total P.L. 480	42,298	16,126	33,141	14,686	44,431	15,295

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

GHANA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	5	5	5
PASA[b]	–	–	–
TOTAL	5	5	5

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	5	–	5	6	–	6	6	–	6
Regional[e]	10	–	10	55	–	55	57	–	57
TOTAL	15	–	15	61	–	61	63	–	63

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	6	6	–	–	–	–	–	–
Regional[e]	–	–	–	–	8	8	–	12	12
TOTAL	–	6	6	–	8	8	–	12	12

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

GHANA

Development Overview

Ghana's economic performance during the 1970's was characterized by an inordinately high rate of inflation, increasing budget deficits, chronic shortages of foreign exchange and mounting arrearages on debt service payments. Agricultural production declined until food shortages became commonplace and the industrial sector of the economy was operating at no more than 10 percent of capacity. Government policies favored increased public sector domination of the economy, leading to the creation of a large number of uneconomic public corporations which contributed to the budget deficits.

In the early 1980's the Ghanaian economy suffered three shocks that forced it to implement major reforms to prevent the imminent collapse of the economy. These shocks were: a) drought and subsequent bush fires resulting in a particularly severe food shortage; b) falling world prices of Ghana's major exports, leading to a sharp reversal of Ghana's terms of trade; and c) the sudden return of hundreds of thousands of Ghanaian workers who had been expelled from Nigeria.

In April 1983 Ghana adopted a series of major, short-term policy reforms with extensive foreign donor assistance. These reforms were intended to control government expenditures and increase revenues, reduce inflation, and achieve a more realistic exchange rate. The short-term (2-3 years) strategy for growth focused on improving production incentives and rehabilitating the productive sectors of the economy by providing essential equipment and supplies. The medium-term strategy focuses on improving the basis for growth, e.g., technology, research institutions (including extension), the level and composition of investment, and private sector participation in development. To date Ghana, has succeeded in achieving virtually all of it's targets as well as those set under two Stand-by agreements Ghana has negotiated with the IMF. Ghana is now negotiating a third Stand-by arrangement.

Ghana's long-term economic prospects look favorable. Ghana has a substantial base of renewable resources such as agriculture, hydroelectric power and offshore fishing, as well as sizeable but under exploited mineral deposits, including gold, bauxite, manganese and offshore fossil fuels. Ghana's human resource base would be adequate to man its development program were it not for the fact that a substantial number of Ghanaian professionals presently reside outside the country. With Ghana's economic prospects improving, these people are beginning to return.

U.S. Interests and Objectives

U.S. interests in Ghana are enhanced by continued economic development and political stability. The austere economic recovery program being carried out with Western donor assistance shows encouraging signs of progress. Even a moderate success would be a relatively dramatic improvement for Ghana and could serve as an inducement for other countries in the region to initate programs of economic reform. A reasonable level of U.S. assistance is important for the success of the program.

During most of 1985, U.S.-Ghana bilateral relations were positive and marked by an effective dialogue even when there were differences in views. In late 1985, however, in the aftermath of the espionage cases, Ghana expelled four U.S. diplomats. Nevertheless, we expect that relations will now assume a more normal course. During 1985 there was some improvement in the human rights situation in Ghana. During the year, the Ghanaian Government also showed increased interest in increasing the role of the private sector in development and attracting foreign private investment.

U.S. national security and investment interests in Ghana are modest. Nevertheless, a return by Ghana to economic deprivation and political instability would contribute to instability throughout the region, discredit the current leadership's pragmatic approach to resolving economic issues and provide an opportunity for disruption by those internal elements which are opposed to the economic reform program.

A.I.D. Development Strategy

AID's strategy in Ghana over the next two years is primarily to support Ghana's balance of payments and economic structural reform program. A secondary strategy is to increase food availability through direct assistance to the agriculture sector and improve maternal and child health through a family planning project.

A.I.D. Program (FY 1985-1986)

U.S. assistance to Ghana include the PL 480 Title I program at $5.9 million in FY 1985 and $8.0 million in FY 1986. The Title II program provides $10.2 million in food commodities in FY 1985 and $6.7 million in FY 1986.

New activities include the Contraceptive Supplies Project (641-0109), with a $2.2 million obligation in FY 1985 and $3.0 million in FY 1986. In addition, a $5.1 million Commodity Import Program for the agriculture and transport sectors, funded from prior year deobligations, is proposed to be obligated in 1986.

The Ghana Seed Company activity is approaching completion with the termination of technical assistance scheduled for July 1986. This is the only surviving element of the multifaceted Managed Inputs and Delivery of Agriculture Services (MIDAS) project. A major evaluation in 1985 provided the basis for a FY 1987 project which is intended to assist the Government in moving the Ghana Seed Company to the private sector.

GHANA

Requested Year Program (FY 1987)

A proposed $1.8 million obligation for Contraceptive Supplies (641-0109) will complete the funding for that project.

A $1.2 million grant for the Ghana Seed Company Privatization Project is proposed to finance the transition from a public sector activity to a private sector commercial operation over a five-year period.

An $8.0 million PL 480, Title I program for cotton and rice and a $7.3 million PL 480, Title II program to improve child nutrition are proposed.

MISSION DIRECTOR: William Lefes

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GHANA

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
DEV APPLICATIONS OF INTERMEDIATE TECH	G 641-0084	79	82	4,7[illegible]	1,656	1,656	1,284	---	96	---	276
MANAGED INPUT DELIVERY/AG SERVICES II	G 641-0102	80	82	5,450	5,450	5,450	3,334	---	231	---	1,000
MANAGED INPUT DELIVERY/AG SERVICES II	L 641-0102	80	82	7,000	4,000	4,000	1,390	---	1,200	---	1,200
GHANA SEED COMPANY	* G 641-0110	87	89	---	4,200	---	---	---	---	1,200	1,000
TOTAL FOR ACCOUNT				17,210	15,306	11,106	6,008	---	1,547	1,200	3,476
GRANTS				10,210	11,306	7,106	4,618	---	347	1,200	2,276
LOANS				7,000	4,000	4,000	1,390	---	1,200	---	1,200
POPULATION PLANNING											
CONTRACEPTIVE SUPPLIES	G 641-0109	85	87	6,980	6,980	2,180	---	3,000	3,000	1,800	3,000
TOTAL FOR ACCOUNT				6,980	6,980	2,180	---	3,000	3,000	1,800	3,000
GRANTS				6,980	6,980	2,180	---	3,000	3,000	1,800	3,000
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
OPPORT INDUST CENTER INTL/GHANA (PVO)	G 641-0108	82	82	1,372	1,368	1,368	970	---	398	---	---
TOTAL FOR ACCOUNT				1,372	1,368	1,368	970	---	398	---	---
GRANTS				1,372	1,368	1,368	970	---	398	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				25,562	23,654	14,654	6,978	3,000	4,945	3,000	6,476
GRANTS				18,562	19,654	10,654	5,588	3,000	3,745	3,000	5,276
LOANS				7,000	4,000	4,000	1,390	---	1,200	---	1,200

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*Refers to the planned project summary sheet

L Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: GHANA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Ghana Seed Company Privatization		1,200		FY 1987 1,200		Life of Project Funding 4,200
Number 641-0110 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989	Estimated Completion Date of Project FY 1991

Purpose: The purpose of this activity is to finance the transition of the Ghana Seed Company from a public corporation to a firm with a private sector majority interest, capable of multiplying and distributing improved seeds and other agricultural inputs throughout the country.

Background: Through the Managed Input Delivery/Agricultural Services II project (641-0102), AID has provided technical assistance and equipment to the government-owned Ghana Seed Company (GSC). This phase of our support is now coming to an end and the GSC has the technical capacity to produce improved seed varieties. However, the GSC still needs assistance in management in order to become a financially viable operation. Also the control of the GSC should be transferred to the private sector, if it is to realize its full potential.

Project Description: A major evaluation of the Ghana Seed Company took place in 1985. Based on its findings, AID is recommending to the Government a major restructuring of the Ghana Seed Company to allow privatization to the extent of at least 51 percent private equity. The Company will be managed by experienced seed industry personnel and operated on a sound business basis with a strong financial management unit that will control expenditures, provide a constant stream of financial data to company management and collect and analyze current market data on agricultural production, input supply prices, crop production costs, returns, and market prices.

The Company will be restructured to become financially self-sufficient within five years. In order to achieve this, the Government will be requested to alter its current policy which provides for 100 percent government ownership of the GSC and subsidies to cover the operating losses which it is currently experiencing.

Relationship to Country Strategy: The establishment of a viable seed processing and distribution institution in Ghana is a basic requirement for increasing agricultural productivity, which is a high priority of the U. S. economic assistance program in Ghana. This will also promote a secondary thrust of U.S. strategy which is the privatization of agricultural support systems in Ghana.

Host Country and Other Donor Assistance: The GOG and external donors have subsidized the Seed Company's operations since its inception in 1970. The Government has expressed its desire to place the Seed Company on a sound financial basis. West Germany and Canada are financing multiyear, multimillion dollar technical assistance projects in Ghana which develop improved seeds through operational research. However, the absence of an effective seed processing and distribution institution adversely affects other donor activities. Although the Ghana Seed Company is subsidized at the moment, it is serving a critical need in Ghana. The organization should be placed on a sound financial footing and turned over to the private sector.

Beneficiaries: The direct beneficiaries of the project in the first year will be the 150,000 farmers who currently depend on improved seed. By the end of the five years, the project is expected to reach more than 700,000 farmers.

Major Outputs: An efficiently run, privately controlled seed multiplication company capable of reproducing and marketing improved seed varieties in a volume adequate to meet Ghana's needs.

A.I.D. Financed Inputs:	Life of Project ($000)
Grants to help defray the costs of improving the management of the GSC and transferring it to private sector control.	4,200

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To be determined
Estimated Fiscal Year 1986	-	-	-	
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,200	3,000	4,200	

[illegible]

GEORGIA

[illegible]

COUNTRY: [illegible]

BASIC DATA

TOTAL POPULATION ..(THOUSANDS,MID 1985) [illegible]

PER CAPITA GNP ......(DOLLARS,1984) [illegible]

ANNUAL PER CAPITA REAL GNP GROWTH RATE..(1965-84) [illegible]

ANNUAL RATE OF INFLATION (1973-84) [illegible]

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION (%) [illegible]

LIFE EXPECTANCY AT BIRTH, IN YEARS
(1985) TOTAL [illegible] MALE [illegible] FEMALE [illegible]
(1975) TOTAL [illegible] MALE [illegible] FEMALE [illegible]

ADULT LITERACY RATE (1980) TOTAL [illegible] MALE [illegible] FEMALE [illegible]

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
(1973-1984) [illegible]

AGRICULTURAL PRODUCTION AS % OF GDP .... (1984) [illegible]

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1984) [illegible]

MAJOR CROP(S) ARABLE LAND YEAR
SUBSISTENCE: RICE ,CASSAVA ,MILLET [illegible]
CASH: BANANAS AND PLNE ,PEANUTS ,PALM KERNELS [illegible]

MAJOR AGRICULTURAL EXPORTS (1984) PALM KERNELS ,COFFEE

MAJOR AGRICULTURAL IMPORTS (1984) RICE ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE [illegible]

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.) [illegible]

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.) [illegible]

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.) [illegible]

DEFENSE EXPENDITURES
AS % OF TOTAL EXPENDITURES [illegible]
AS % OF GNP [illegible]

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) [illegible]
EQUIVALENT TO [illegible] MONTHS OF IMPORTS [illegible]

FOREIGN TRADE

MAJOR EXPORTS(1984)/PERCENTAGE [illegible] [illegible]

EXPORTS TO U.S.
($ MILLIONS, US, FOB) [illegible]
AS % OF TOTAL EXPORTS [illegible]

MAJOR IMPORTS(1984)/PETROLEUM PROD ,METALS [illegible]

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) [illegible]
AS % OF TOTAL IMPORTS [illegible]

TRADE BALANCE($ MILLIONS, U.S.) [illegible]

TRADING PARTNERS: UNITED STATES ,FRANCE SPAIN

EXTERNAL PUBLIC DEBT AS % OF GNP (1984) [illegible]

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.) [illegible]
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) [illegible]

SOCIAL DATA

POPULATION GROWTH RATE [illegible]

POPULATION IN URBAN AREAS [illegible]

LIVE BIRTHS PER 1,000 POPULATION [illegible]

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION [illegible]

POPULATION (1985) BY AGE GROUP
(0-14YRS) [illegible] (15-64YRS) [illegible] (65+ YRS) [illegible]

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) [illegible]

PEOPLE PER PHYSICIAN [illegible]

MAJOR CAUSES OF
DISEASE [illegible] MALARIA [illegible] [illegible]
DEATH [illegible] PARASITIC DISEASE [illegible] [illegible]

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS [illegible]

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY [illegible]

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY [illegible] TOTAL [illegible] MALE [illegible] FEMALE [illegible]
SECONDARY [illegible] TOTAL [illegible] MALE [illegible] FEMALE [illegible]
POST SECONDARY [illegible] TOTAL [illegible] MALE [illegible] FEMALE [illegible]

ENERGY PRODUCTION AS % OF CONSUMPTION [illegible]

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

COUNTRY [illegible]

PROGRAM	FOREIGN AID BY FISCAL YEAR: 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
I. ECONOMIC ASSISTANCE - TOTAL	11.4	10.5	6.0	7.0	6.6	191.0	42.3	148.7
Loans	5.7	6.6	4.5	4.8	4.8	110.5	42.3	68.2
Grants	5.7	3.9	1.5	2.2	1.8	80.5	-	80.5
a. A.I.D. and Predecessor Agency	5.2	2.8	1.1	2.0	1.7	65.2	3.7	61.5
Loans	-	-	-	-	-	7.6	3.7	3.9
Grants	5.2	2.8	1.1	2.0	1.7	57.6	-	57.6
(Economic Support Fund)	-	-	-	-	-	22.4		
b. Food for Peace (PL 480)	6.2	7.7	4.9	5.0	4.9	121.3	38.6	82.7
Loans	5.7	6.6	4.5	4.8	4.8	102.9	38.6	64.3
Grants	0.5	1.1	0.4	0.2	0.1	18.4	-	18.4
Title I - Total Sales Agreements	5.7	6.6	4.5	4.8	4.8	122.9	38.6	84.3
Repayable in U.S. Dollars - Loans	5.7	6.6	4.5	4.8	4.8	81.7	22.3	59.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	21.2	16.3	4.9
Title II - Total Grants	0.5	1.1	0.4	0.2	0.1	18.4	-	18.4
E.Relief, Econ. Develop. & World Food Program	0.5	1.1	0.4	0.2	0.1	18.4	-	18.4
Voluntary Relief Agencies	-	-	-	-	-	*	-	*
c. Other Economic Assistance	-	-	-	-	-	4.5	-	4.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	4.5	-	4.5
Peace Corps	-	-	-	-	-	4.5	-	4.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	-	-	-	*	1.6	2.6	-	2.6
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	1.6	2.6	-	2.6
a. MAP Grants	-	-	-	-	1.5	2.3	-	2.3
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	*	0.1	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	0.1	-	0.1
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	11.4	10.5	6.0	7.0	8.2	193.6	42.3	151.3
Loans	5.7	6.6	4.5	4.8	4.8	110.5	42.3	68.2
Grants	5.7	3.9	1.5	2.2	3.4	83.1	-	83.1
Other U.S. Government Loans and Grants	4.0	-	-	-	-	29.5	31.7	2.2-
a. Export-Import Bank Loans	4.0	-	-	-	-	29.5	31.7	2.2-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL..........	57.5	94.0	54.1	601.1
IBRD	0.0	0.0	0.0	75.3
IFC	16.1	0.0	0.0	16.1
IDA	24.0	45.9	17.5	219.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	14.3	44.9	27.4	157.2
UNDP	3.1	3.2	0.0	90.4
OTHER-UN	0.0	0.0	1.9	11.0
EEC	0.0	0.0	7.3	31.9

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	8.0	6.0	52.0
Germany,Fed. Rep.	6.9	6.7	60.3
France	12.3	9.5	54.6
Japan	2.4	3.3	15.5
Italy	1.4	1.9	7.8
Other	1.2	1.7	6.9
Total	32.2	29.1	205.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
4.2	N.A.	31.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	15	400
Eastern Europe	-	-	130
Total	-	15	530

GUINEA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	2,600	2,600	-	-	-	-	-	-
Total	2,600	2,600	-	-	-	-	-	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	3,730	3,730	-	-	-	-	-	-
Total	3,730	3,730	-	-	-	-	-	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	3,730	3,730	-	-	-	-	-	-
Total	3,730	3,730	-	-	-	-	-	-

FY 1987
PROGRAM HIGHLIGHTS

Program will continue to focus on increasing food production of smallholders through:

- $3.7 million for farming systems research, extension of yield raising production input packages and promotion of agribusiness enterprises.
- $8.0 million for continuation of P.L. 480 Title I program which covers food requirements while efforts to reform the economy and revitalize the agriculture sector are carried out.

GUINEA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	1,157	3,297	4,755
Total AID	1,157	3,297	4,755
P.L. 480 **			
Title I	6,000	6,000	8,000
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	6,000	6,000	8,000
Total AID and P.L. 480	7,157	9,297	12,755

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	20,000	6,000	20,000	6,000	29,000	8,000
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	20,000	6,000	20,000	6,000	29,000	8,000
(of which Title III is)	–	–	–	–	–	–
Title II [1/]						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	–	–	–	–	–	–
Total P.L. 480	20,000	6,000	20,000	6,000	29,000	8,000

[1/] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

GUINEA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	3	4	4
PASA[b]	–	–	–
TOTAL	3	4	4

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	4	1	5	7	4	11	18	8	26
Regional[e]	19	1	20	25	2	27	26	2	28
TOTAL	23	2	25	32	6	38	44	10	54

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	2	2	–	5	5	–	7	7
Regional[e]	–	16	16	–	4	4	–	–	–
TOTAL	–	18	18	–	9	9	–	7	7

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

GUINEA

Development Overview

Guinea remains one of the world's least-developed countries. With a real per capita income of less than $300 the vast majority of the population lives at the margin of poverty. Industrial infrastructure works at less than 10 percent capacity. Rural areas are isolated from the capital city because of a severely deteriorating road network. Power and water supplies in urban areas are unreliable. School enrollments are the lowest in Africa. Less than seven percent of the population has access to safe water. Health indicators are among the worst in the world. Guinea's agricultural production has steadily deteriorated since it gained independence from France in October 1958, while annual food imports have increased tenfold.

Notwithstanding these serious development constraints, Guinea's natural resources make it potentially one of Africa's richest countries. It has substantial deposits of high grade iron ore, diamonds, gold and bauxite. Guinea's large offshore continental shelf contains rich fishing grounds and promising petroleum reserves. The middle Guinean highlands and its numerous rivers offer a high potential for hydroelectric power and irrigation. Soil, water, climatic conditions and large areas of underutilized farm lands also endow Guinea with a vast agricultural potential. New hopes for tapping this impressive potential were created by the takeover of the government, following the death of President Sekou Toure in late March 1984 by a group of liberal military officers. The new leaders have made a complete break with the policies of the previous statist regime, which after 26 years of gross mismanagement left the country in virtual economic ruin. During the month of December 1985, President Conte has dismantled almost a quarter century of socialist institutions. The new Government enacted a series of reforms including 1400 percent devaluation, introduction of a foreign exchange auction system for private import transactions, liquidation of the state banking sector and its replacement by private banks, liberalization of export/import and internal marketing arrangements, abolition of most state enterprises, sharp increases in agricultural producer prices, and the first steps toward a 50 percent reduction in civil service. Most impressive of these reforms is President Conte's new government in which civilians for the first time since he came to power hold a majority of cabinet positions and almost all are involved with economic policy. Six of the new civilians ministries are drawn from the ranks of Guinea's exiles. Recent agreements with IMF/IBRD on a sweeping program of economic reforms appear to mark the beginning of a new era of potential growth and development in Guinea.

U.S. Interests and Objectives

The new situation in Guinea favors U.S. objectives in maintaining a constructive presence in a country which in the past had been heavily oriented toward Eastern bloc nations. In particular, the current situation serves the U. S. objectives of encouraging private sector development and increasing private U.S. investment. The new government's appeal for greater

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Western assistance provides an opportunity to clearly demonstrate the merits of a free enterprise system and closer association with liberal market economies and societies. It is therefore in the U.S. interest to use the A.I.D. program to assist Guinea with the achievement of its new development objectives and to support the IMF/IBRD-led, multi-donor program of economic reforms.

A.I.D. Development Strategy

A.I.D.'s strategy in Guinea is based on the premise that the revitalization of the agricultural sector is an essential element of Guinea's overall development effort and that smallholder producers are the key actors in this sector since they are responsible for most of Guinea's agricultural output and represent over 80 percent of Guinea's population. The strategy also recognizes the important role private enterprise can play in agricultural development. The main focus of the Guinea program, therefore, will continue to be on increasing the productivity of small-scale farms through both public and private sector efforts.

A.I.D. Program (FY's 1985-1986)

The A.I.D. program in Guinea is concentrated on the agriculture sector and continues to emphasize institution-building, policy reform and private enterprise development. A key project in this sector is the Smallholder Production Project (675-0210) that is budgeted for initial funding of $2.6 million in FY 1986. This new project results from the work accomplished under the preliminary Smallholder Production Preparation Project (675-0204) which ends in FY 1987. This project is the first phase of a long-term effort designed to establish the conditions and institutions needed to generate and sustain small farmer production. $150,000 is budgeted for the continuation of the Appropriate Technology project (675-0208). This Operational Program Grant (OPG) to Volunteers in Technical Assistance is introducing improved cookstoves and brick building techniques.

Another key project is the on-going $1.8 million, Private Agribusiness Preparation Project (675-0212) which resulted from the visit to Guinea in 1983 of a Presidential Task Force. Under this project a national office for the promotion of private investment has been established to attract and facilitate increased investment in the agribusiness sector. Other current projects include two regionally funded bilateral activities: the Combatting Communicable Childhood Diseases Project (698-0241) which began in late FY 1985 to provide for the immunization of children against six major diseases plus treatment of malaria and diarrhea; and the successful Community Forestry Project (698-0410.35) which ends in FY 1986 after having introduced over the past two years fastgrowing tree species that will provide fuelwood and forage and help prevent soil erosion in the important Guinean highlands region. An important contribution was also made in FY 1985 under the Regionally Funded African Manpower Development Project (698-0433.21) for the training of Guinean in areas critical to the implementation of economic reforms.

GUINEA

P.L. 480 Title I assistance valued at $6.0 million is being provided in FY 1986 to cover food production shortfalls and to provide support to the initial stabilization phase of economic reforms. In addition, under the P.L. 480, Section 416 Program dried milk is being provided in FY 1986 valued at an estimated $2.0 million.

Requested Year Program (FY 1987)

The $3,730,000 requested in FY 1987 will be used to provide initial funding of $2,500,000 to start the Agribusiness Investment Promotion Project (675-0213), which will seek to build on previous A.I.D.-funded efforts to attract and assist private investors and local business persons, and to provide incremental funding of $1,230,000 for the Smallholder Production Project (675-0210). A P.L. 480 Title I Program of $8,000,000 is proposed to assure sufficient rice supplies while the GOG continues its efforts to raise rice production and to stabilize its economy. Proceeds from the sales of Title I rice will continue to be used to support agricultural and private sector development activities. The continuation of the P.L. 480 Section 416 Dried Milk Distribution Program at the $2,000,000 level is also proposed.

A.I.D. AFFAIRS OFFICER: Mark Wentling

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUINEA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AG PRODUCTION CAPACITY AND TRAINING	G	675-0201	76	82	14,400	14,400	14,400	14,261	---	139	---	---
SMALL HOLDER PREPARATION	G	675-0204	83	85	3,800	3,800	3,800	648	---	1,825	---	1,000
APPROPRIATE TECHNOLOGY (PVO)	G	675-0208	83	86	650	650	500	392	150	258	---	---
SMALL HOLDER PRODUCTIVITY	G	675-0210	86	90	---	12,000	---	---	3,580	500	1,230	2,000
AGRIBUSINESS PREPARATION	G	675-0212	84	85	1,800	1,800	1,800	345	---	575	---	255
AGROBUSINESS INVESTMENT PROMOTION	* G	675-0213	87	88	---	3,000	---	---	---	---	2,500	1,500
TOTAL FOR ACCOUNT					20,650	35,650	20,500	15,646	3,730	3,297	3,730	4,755
GRANTS					20,650	35,650	20,500	15,646	3,730	3,297	3,730	4,755
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					20,650	35,650	20,500	15,646	3,730	3,297	3,730	4,755
GRANTS					20,650	35,650	20,500	15,646	3,730	3,297	3,730	4,755
LOANS					---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: GUINEA

PLANNED PROGRAM SUMMARY SHEET

Title Agribusiness Investment Promotion		Funding Source	AG, RD & N $2,500	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 2,500		Life of Project Funding 3,000
Number 675-0213 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1988	Estimated Completion Date of Project FY 1990

Purpose: To establish host country capacity to attract, assist and negotiate with primarily private foreign investors.

Project Description: The project is the continuing result of a dialogue between Guinea and the U.S. which began in June 1982, when the previous President of Guinea visited the U.S. During this visit President Reagan decided to form a private agribusiness task force for Guinea. This task force visited Guinea in February and March 1983. An initial preparation project was approved in January 1984 to follow-up on task force recommendations and to identify further needs. The current project will therefore address the needs identified under project while taking advantage of the much improved political-economic environment in Guinea to expand into all areas of the private sector.

This three-year project is an essential component of USAID/Guinea's strategy of concentrating its resources on increasing agricultural production and promoting private sector development. It will address the problem of establishing a local capacity for attracting and facilitating private investment. The overall goal is to help begin reversing a generation of economic decline by encouraging private investment in this potentially rich country. The project also responds to efforts of the new GOG to reform the Guinean economy following 25 years of one-man statist rule that sought to eliminate the private sector. The new government is trying to reverse previous policies by giving high priority to the elaboration of a strategy for developing a strong private sector. This project represents a major component of this strategy.

Relationship of Project to A.I.D. Country Strategy

This project is a core element of the strategy of concentrating its limited resources on increasing agricultural production and facilitating private sector investment as an effective means of raising living standards of the Guinean population.

Beneficiaries: This project is aimed at private entrepreneurs interested in investing in Guinea. It is expected that actual investments resulting from the project's efforts will create jobs for hundreds of Guineans and provide access to goods and services heretofore unavailable to thousands more. The revenues generated will also be of benefit to a large portion of the Guinean population.

Host Country and Other Donors

A mainstay of the new GOG's development plan is to give high priority to policies and practices that encourage private sector activity. The GOG will provide office space, utilities, local personnel and pay almost all local operational costs. This project will work with related activities funded by other donors, especially IBRD's efforts to support privatization of parastatals and the national small and medium enterprise office. In addition, an effort will be made to develop income-generating associations with private international consulting firms.

Major Outputs: Pre-investment studies completed, product marketing assessments carried out, Guineans trained in business administration and economics as well as the facilitation of foreign investment.

A.I.D. Inputs	Life-of-Project ($000)
Technical Assistance	1,800
Training	500
Commodities	500
Evaluation	60
Other Costs	140
Total	3,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	▨
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	2,500	500	3,000

Principal Contractors or Agencies

TO BE DETERMINED

GUINEA-BISSAU

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:   (657) GUINEA-BISSAU

***************
*BASIC DATA*
***************
TOTAL POPULATION.. (THOUSANDS,MID 1985)        858

PER CAPITA GNP............ (DOLLARS,1982)        170

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) -1.7%

ANNUAL RATE OF INFLATION (1973-83)  6.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION (    .)      %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 38.4  MALE 37.5  FEMALE 39.3
                     (1970)   TOTAL 35.4  MALE 34.6  FEMALE 36.3

ADULT LITERACY RATE  (1980)   TOTAL  19%  MALE  25%  FEMALE  13%

****************
*AGRICULTURE*
****************
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (    -    .)      %

AGRICULTURAL PRODUCTION AS % OF GDP ............ (1983)    43%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        54


MAJOR CROP(S)                                       ARABLE LAND  YEAR
  SUBSISTENCE  RICE ,SORGHUM ,CASSAVA                      25%   (1984)
  CASH  PEANUTS ,PALM KERNELS ,CASHEWS IN SHELL            30%   (1984)

MAJOR AGRICULTURAL EXPORTS (1984) PEANUTS ,PALM KERNELS ,CASHEWS

MAJOR AGRICULTURAL IMPORTS (1984) RICE ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    )      %
*********************************
*CENTRAL GOVERNMENT FINANCES*
*********************************
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                   (    )            (  )          (  )
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                   (    )            (  )          (  )
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                   (    )            (  )          (  )
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES..  (    )    %(  )    %(  )    %
  AS % OF GNP ..................(    )    %(  )    %(  )    %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (    )    (  )    (  )
  EQUIVALENT TO    MONTHS OF IMPORTS (    )

***************
*FOREIGN TRADE*
***************
MAJOR EXPORTS(1983)PEANUTS        ,PALM KERNELS   ,SHRIMP

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (    )    (    )    (    )
   AS % OF TOTAL EXPORTS (    )    %(    )    %(    )    %

MAJOR IMPORTS(1983)FOODSTUFFS     ,MFRD GOODS     ,FUELS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1979)    1  (1980)    0  (1981)    4
   AS % OF TOTAL IMPORTS (    )    %(    )    %(    )    %

TRADE BALANCE($ MILLIONS, U.S.)(   )      (82)    -50(83)   -41

TRADING PARTNERS: PORTUGAL ,SWEDEN ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    86.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).................................. (1983)     2
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  21.0%
**************
*SOCIAL DATA*
**************
POPULATION GROWTH RATE...(1970)   0.9% (1978)   1.7% (1985)  1.9%

POPULATION IN URBAN AREAS............(1970)    18%   (1985)   27%

LIVE BIRTHS PER 1,000 POPULATION     (1970)          (1985)    39

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION    (1977)   1.0%

POPULATION (1985) IN AGE GROUP
              (0-14YRS) 43.7% (15-64YRS) 52.9% (65+ YRS)  3.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 137

PEOPLE PER PHYSICIAN...................(1978)  8,841

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,PROTOZOAL INT. D,GONORRHEA
DEATH.. (1970) TUBERCULOSIS    ,MALARIA          ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    95%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  10%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1982)  TOTAL  54.9   MALE  71.1     FEMALE  37.4
SECONDARY.......  (1982)  TOTAL   7.6   MALE    .      FEMALE    .
POST SECONDARY..  (    )  TOTAL         MALE    .      FEMALE    .

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)        %
```

[illegible]

[illegible]
[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
							[illegible]	[illegible]
[illegible]								
[illegible]	[illegible]	[illegible]	—	—	[illegible]	—	—	—
[illegible]	[illegible]	[illegible]	—	—	[illegible]	—	—	—
[illegible]								
[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
[illegible]								
[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
[illegible]	[illegible]	[illegible]	—	—	—	—	—	—

[illegible]
[illegible]

1. [illegible]
2. [illegible]

[illegible]

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
AID*			
Loans	–	–	–
Grants	678	5,263	4,959
Total AID	678	5,263	4,959
P.L. 480**			
Title I	–	–	–
(of which Title III is) Title II	(394)	(–)	(1,170)
Total P.L. 480	394	–	1,170
Total AID and P.L. 480	1,072	5,263	6,129

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

P.L. 480 (In thousands of dollars)						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food						
Title I Total (of which Title III is)	–	–	–	–	–	–
Title II a/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	3,000	394	–	–	6,000	1,170
Title II Total	3,000	394	–	–	6,000	1,170
Total P.L. 480	3,000	394	–	–	6,000	1,170

a/ Does not include P.L. 480 [illegible] of the World Food Program by country.

GUINEA-BISSAU

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel	4	4	4
AID Direct Hire[a]	1	1	1
PASA[b]			
TOTAL	5	5	5

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. (One work year = 2080 hours (40 hours per week).)

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	6	–	6	8	4	12	8	2	10
Regional[e]	17	4	21	20	–	20	–	–	–
TOTAL	23	4	27	28	4	32	8	2	10

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs

[e] Participants funded by regional programs (e.g., CLASP, AMDP)

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	8	8	–	6	6	–	3	3
Regional[e]	–	–	–	1	1	2	–	–	–
TOTAL	–	8	8	1	7	8	–	3	3

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs

[e] Participants funded under regional programs (e.g., CLASP, AMDP)

GUINEA-BISSAU

Development Overview

Guinea-Bissau ranks among the 20 poorest countries in the world. Per capita income for its estimated 858,000 people is only about U.S. $170 per annum. While the country has registered gains in social services in recent years, adult literacy is still around 15 percent; life expectancy is 37 years; infant mortality is approximately 150/1000 live births; and potable water is accessible to only 11 percent of the population, largely in the urban areas.

At independence in 1974, the Government of Guinea-Bissau inherited a war-devastated economy, with little institutional or physical infrastructure, few educational facilities or trained personnel, a weak human resource base and no experience in planning and administering programs at the national level. Agriculture, the mainstay of the economy, was in chaos with production of rice, the main food crop, having fallen more than 400 percent.

Initially, the Government of Guinea-Bissau followed a socialist development model. This approach, coupled with pursuit of an ambitious industrial development program, resulted in large budgetary imbalances, misallocation of scarce resources, low growth and productivity, chronic balance-of-payments deficits and neglect of the rural economy. Inappropriate pricing policies and an overvalued exchange rate worsened an already precarious financial situation and gave rise to supply shortages, growth of a parallel market, decreasing official exports, mounting external deficits and related service payments, and a growing dependence on foreign aid. In addition, occasional droughts, such as in 1984, increased the country's dependency on imported food-aid.

Beginning in late 1984, Guinea-Bissau reassessed its economic policies and has instituted reforms including a 100 percent currency devaluation with continuing monthly adjustments, increased farm-gate prices by 40 to 60 percent, increased retail consumer prices by 50 percent and instituted reforms to reduce public financing deficits. In 1984 Guinea-Bissau realized a decline in public debt and improvement in its external accounts for the first time. In future years, the Government plans to increase interest rates, undertake studies on pricing and better national management coordination and begin the transfer of commercial institutions to the private sector, while continuing devaluations and reforms in public financing. Recently, Guinea-Bissau identified agriculture, fisheries and forestry as the primary development sectors. Agriculture is the principal livelihood for 80 percent of the population and accounts for 50 percent of the GDP. With rich soils, generally favorable rainfall and a large rural labor force, Guinea-Bissau has a good potential for long-range development. To complement its agricultural potential Guinea-Bissau has vast untapped forestry and fisheries resources. However, the lack of human resources, inadequate transport and roads, lack of agricultural inputs (seeds, fertilizer and tools), plus heavy external debt continue to restrain the country's development.

GUINEA-BISSAU

U.S. Interests and Objectives

U.S. interests in Guinea-Bissau are primarily developmental and humanitarian, but include promoting a better understanding of U.S. global and regional policy concerns:

A.I.D. Development Strategy

A.I.D.'s primary development objective is to help Guinea-Bissau achieve food self-sufficiency through institution building, technology transfer and increasing the role of the private sector in the rural economy. Policy dialogue with the Government on issues which affect agriculture production are ongoing. The program also emphasizes human resource development.

A.I.D. Program (FYs 1985-1986)

In the Agriculture, Rural Development and Nutrition sector the Rice Production project (657-0009) was evaluated in FY 1985. Changes in technical assistance and farming techniques have been incorporated in a revised design and implementation is being accelerated. $400,000 is budgeted for this project in FY 1986. The South Coast Agricultural Development project (657-0010), the centerpiece of A.I.D.'s agricultural program, is continuing to emphasize land reclamation work to increase rice production. $500,000 is budgeted for this project in FY 1986. An evaluation of the Food Crop Protection II project (657-0007), conducted in early FY 1985, recommended continuing assistance to the National Crop Protection services in pest management. The Food Crop Protection III project (657-0012) is budgeted at $250,000 in FY 1986. The new Agro-Industrial Fund project (657-0013) is beginning in FY 1986 with $850,000. This project will provide training and investment sub-loans to the private sector for agro-industrial activities and trade opportunities.

In the Education and Human Resources sector the Technical Skills Training project (657-0011), started in FY 1984, is continuing to provide training and technical assistance at the Institute for Professional Training (ITPP). In addition, A.I.D. plans to continue long-term participant training in agriculture and related development projects under the regional African Manpower Development Program (698-0433).

In FY 1985 A.I.D. provided $396,000 of P.L. 480 Title II emergency food assistance to help meet food grain needs caused by the 1984 drought.

Requested Year Program (FY 1987)

In FY 1987, A.I.D. is requesting a total of $2,000,000 for the continuation of projects in the agricultural sector. Of this amount, $800,000 is for continuation of the South Coast Agricultural Development project (657-0010) to provide technical assistance services and ongoing land reclamation work.

GUINEA-BISSAU

Another $1,200,000 is requested for the Agro-Industrial Fund project (657-0013) to provide investment resources through sub-loans to the private sector in the rural economy.

P.L. 480, Title II funding ($1,170,000) will help meet the food grain production shortfall.

A.I.D. REPRESENTATIVE: Gussie Daniels, III

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 5/

PROGRAM: GUINEA-BISSAU

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURE DEVELOPMENT	G	657-0002	77	80	1,853	1,853	1,853	1,717	---	136	---	---
FOOD CROP PROTECTION II	G	657-0007	78	83	1,839	1,839	1,839	1,230	---	609	---	---
RICE PRODUCTION	G	657-0009	80	86	4,500	4,900	4,500	2,541	400	1,300	---	959
SOUTH COAST RICE PRODUCTION	G	657-0010	83	87	5,500	5,540	3,720	212	500	2,500	800	1,500
FOOD CROP PROTECTION III	G	657-0012	85	86	1,250	1,250	1,000	---	250	100	---	200
AGRI. INDUSTRIAL DEV. FUND	G	657-0013	86	89	---	4,000	---	---	850	100	1,200	1,500
TOTAL FOR ACCOUNT					14,942	19,382	12,912	5,700	2,000	4,745	2,000	4,159
GRANTS					14,942	19,382	12,912	5,700	2,000	4,745	2,000	4,159
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
TECHNICAL SKILLS TRAINING	G	657-0011	84	85	1,500	1,500	1,500	10	---	500	---	800
TOTAL FOR ACCOUNT					1,500	1,500	1,500	10	---	500	---	800
GRANTS					1,500	1,500	1,500	10	---	500	---	800
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					16,442	20,882	14,412	5,710	2,000	5,245	2,000	4,959
GRANTS					16,442	20,882	14,412	5,710	2,000	5,245	2,000	4,959
LOANS					---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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KENYA

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                                    FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (615) KENYA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     20,194

PER CAPITA GNP.......... (DOLLARS,1983)        340

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.3%

ANNUAL RATE OF INFLATION (1973-83) 10.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976)   2.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 58.1  MALE 56.3  FEMALE 59.9
                      (1970)   TOTAL 51.7  MALE 50.0  FEMALE 53.5

ADULT LITERACY RATE  (1980)   TOTAL  47%  MALE  60%  FEMALE  35%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)  -0.2%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    29%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       295


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,CATTLE ,PULSES                     70%  (1984)
  CASH: TEA ,COFFEE ,BEEF AND VEAL                       9%  (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TEA ,COFFEE ,PINEAPPLES

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,WHEAT ,PALM OIL

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    )      .%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                 (1980)      1,640 (81)      1,565 (82)      1,401
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                 (1980)      1,963 (81)      2,013 (82)      1,902
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                 (1980)       -324 (81)       -448 (82)       -501
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 15.3% (81) 10.0% (82) 12.4%
  AS % OF GNP................. (1980)  4.4% (81)  3.1% (82)  3.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)   229 (83)   393 (84)   403
  EQUIVALENT TO  2.7 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)RE-EXPORT PETRO,COFFEE         ,TEA

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   70  (1983)   64  (1984)   63
   AS % OF TOTAL EXPORTS (1981)    5% (1982)    8% (1983)    7%

MAJOR IMPORTS(1983)MACHINERY      ,TRANSPORT EQUIP,CRUDE OIL

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  107  (1983)   76  (1984)   81
   AS % OF TOTAL IMPORTS (1981)    9% (1982)    8% (1983)    7%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -809(82)   -508(83)  -312

TRADING PARTNERS  UNITED KINGDOM ,GERMANY, FEDER ,SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    63.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................ (1983)   305
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)... (1983)  33.1%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE... (1970)   3.4% (1978)   4.0% (1985)  4.1%

POPULATION IN URBAN AREAS............(1970)    10%   (1985)   17%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     52

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1979)   6.7%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 52.3% (15-64YRS) 45.2% (65+ YRS)  2.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  59

PEOPLE PER PHYSICIAN................. (1978) 10,504

MAJOR CAUSES OF
DISEASE (1978) MENINGITIS      ,SCHISTOSOMIASIS ,DYSENTERY
DEATH.. (1978) MENINGITIS      ,DYSENTERY       ,TETANUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    94%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  26%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL   125   MALE   137     FEMALE   113
SECONDARY........ (1981)  TOTAL  19.8   MALE  36.3     FEMALE   0.4
POST SECONDARY... (1980)  TOTAL   0.7   MALE   0.4     FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION ............(1983)     11.8%
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U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years - Millions of Dollars)

COUNTRY KENYA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE - TOTAL	54.5	48.8	59.3	81.5	71.8	536.3	31.0	505.3
Loans	16.1	22.8	18.9	25.9	30.2	209.2	31.0	178.2
Grants	38.4	26.0	40.4	55.6	41.6	327.1	-	327.1
a. A.I.D. and Predecessor Agencies	31.8	20.3	38.9	60.6	53.3	356.3	10.7	345.6
Loans	-	7.8	4.6	11.6	25.4	132.2	10.7	121.5
Grants	31.8	12.5	34.3	49.0	27.9	224.1	-	224.1
(Economic Support Fund)	14.5	3.1	10.7	30.0	21.0	91.7		
b. Food for Peace (PL 480)	19.3	25.4	17.4	16.9	13.6	132.5	20.3	112.2
Loans	16.1	15.0	14.3	14.3	4.8	77.0	20.3	56.7
Grants	3.2	10.4	3.1	2.6	8.8	55.5	-	55.5
Title I - Total Sales Agreements	16.1	15.0	14.3	14.3	4.8	77.0	20.3	56.7
Repayable in U.S. Dollars - Loans	16.1	15.0	14.3	14.3	4.8	77.0	20.3	56.7
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	3.2	10.4	3.1	2.6	8.8	55.5	-	55.5
Emerg. Relief, Econ. Develop. & World Food Program	-	2.9	-	-	5.6	21.5	-	21.5
Voluntary Relief Agencies	3.2	7.5	3.1	2.6	3.2	34.0	-	34.0
c. Other Economic Assistance	3.4	3.1	3.0	4.0	4.9	47.5	-	47.5
Loans	-	-	-	-	-	-	-	-
Grants	3.4	3.1	3.0	4.0	4.9	47.5	-	47.5
Peace Corps	3.4	3.1	3.0	4.0	4.9	47.5	-	47.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	20.5	6.5	33.1	21.7	23.6	194.6	99.3	95.3
Credits or Loans	20.0	6.0	22.0	10.0	10.0	155.0	99.3	55.7
Grants	0.5	0.5	11.1	11.7	13.6	39.6	-	39.6
a. MAP Grants	-	-	10.0	10.3	12.0	32.3	-	32.3
b. Credit Financing - FMS	20.0	6.0	22.0	10.0	10.0	155.0	99.3	55.7
c. Military Assistance Service Funded (MASF) Grants	0.5	0.5	1.1	1.4	1.6	7.3	-	7.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	75.0	55.3	92.4	103.2	95.4	730.9	130.3	600.6
Loans	36.1	28.8	40.9	35.9	40.2	364.2	130.3	233.9
Grants	38.9	26.5	51.5	67.3	55.2	366.7	-	366.7
Other U.S. Government Loans and Grants	-	0.3	-	-	-	19.2	20.7	1.5-
a. Export-Import Bank Loans	-	-	-	-	-	18.9	23.6	1.7-
b. All Other Loans	-	0.3	-	-	-	0.3	0.1	0.2

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	237.9	303.5	72.7	2323.2
IBRD	79.9	145.0	32.6	1194.6
IFC	7.4	47.2	12.4	128.0
IDA	113.0	64.5	6.0	700.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	19.2	41.3	15.3	132.9
UNDP	1.4	3.5	0.0	68.1
OTHER-UN	0.0	0.0	6.4	23.5
EEC	17.0	0.0	0.0	75.9

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	54.0	76.0	277.0
United Kingdom	56.2	46.0	329.3
Germany, Fed. Rep.	31.3	44.2	264.4
Netherlands	55.4	31.5	225.2
Japan	21.3	54.8	179.4
Other	131.8	100.1	628.3
Total	350.0	352.6	1,903.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
5.7	N.A.	7.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	50
Eastern Europe	10	-	10
Total	10	-	60

KENYA

PROGRAM SUMMARY

(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	39,159	6,924	4,100	2,415	–	720	25,000	–
Total	39,159	6,924	4,100	2,415[a]	–	720	25,000	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	35,234	10,057	7,800	2,516	315	191	14,355	–
Total	35,234	10,057	7,800	2,516	315	191	14,355	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	39,812	6,600	2,039	2,500	250	6,423	22,000	–
Total	39,812	6,600	2,039	2,500	250	6,423	22,000	–

[a] Includes reobligation of $2.1 million of funds deobligated under Deob/Reob Authority.

FY 1987
PROGRAM HIGHLIGHTS

Kenyan economic restructuring and policy reforms continue through program aid:

- Balance of Payments (ESF) - $22.0 million, and
- Food Assistance (P.L. 480 Title I) - $8.0 million

One new DA project supports the Government of Kenya's private sector emphasis. This project will provide Kenyan private enterprise help in the key areas of:

- venture capital and term lending
- technology transfers
- domestic and export marketing
- entreprenuership and skills development.

KENYA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	8,111	12,747	6,529
Grants	9,913	49,829	38,729
Total AID	18,024	62,576	45,258
P.L. 480 **			
Title I	10,000	10,000	8,000
(of which Title III is)	(-)	(-)	(-)
Title II	23,104	2,640	8,057
Total P.L. 480	33,104	12,640	16,057
Total AID and P.L. 480	51,128	75,216	61,313

*AID levels represent actual and estimated expenditures
**P.L. 480 levels represent actual and estimated value of shipments

P.L. 480 (in thousands of dollars)						
Program	FY 1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	82,000	10,000	61,000	8,100	62,000	8,000
Rice	-	-	6,000	1,900	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	82,000	10,000	67,000	10,000	62,000	8,000
(of which Title III is)	-	-	-	-	-	-
Title II [1]						
Voluntary Agencies	19,588	5,696	9,655	2,640	23,484	8,057
Government - to - Government	120,000	17,408	-	-	-	-
Title II Total	139,588	23,104	9,655	2,640	23,484	8,057
Total P.L. 480	221,588	33,104	76,655	12,640	85,484	16,057

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

KENYA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	26	26	23
PASA[b]	1	1	-
TOTAL	27	27	23

[a] Full time equivalent workyears of employment. (Do not include HIG or excess property personnel). One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	52	20	72	62	57	119	31	44	75
Regional[e]	70	67	137	5	20	25	5	30	35
TOTAL	122	87	209	67	77	144	36	74	110

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	4	20	24	6	23	29	11	42	53
Regional[e]	-	-	-	-	-	-	-	-	-
TOTAL	4	20	24	6	23	29	11	42	53

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking

[c] Technical: non-degree seeking

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

KENYA:

Development Problem

Kenya's political stability, democratic traditions, reliance on the private sector, and moderating influence in the Third World continue to distinguish its approach to economic development.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

in lowering the population growth rate similar to that achieved by Indonesia and Thailand. A.I.D.'s Family Planning Services and Support Project is the flagship for this effort.

Increased growth in total and per capita agricultural production is the other top priority for A.I.D. resources. Emphasis is shifting to fully include the entrepreneur in supplying agricultural inputs, processing and export. Agricultural research, management and technical training for government and private individuals will also improve effectiveness.

A.I.D. Program (FYs 1985-1986)

Economic Support Fund. The FY 1985 $25.0 million ESF program was the last tranche of a three-year structural adjustment grant. A new multi-year ESF program supporting the government's structural adjustment effort will begin in FY 1986, and its conditionality will be based in part on the findings and recommendations of the policy reform evaluation conducted in early 1985. The $14.4 million ESF program for FY 1986 will also finance and fertilizer imports.

Population. The large Family Planning Services and Support Project (615-0232) finances greater private sector provision of family planning supplies, training for hundreds of para-professionals and enhances community-based delivery of services and supplies. The Family Planning II Project (615-0193), has made this large expansion in services possible by providing the research and organizational base necessary for this new phase of GOK commitment. A.I.D.'s health strategy, focused on the expansion of preventive care, will reinforce a still-tentative GOK policy to charge fees for services. Without new revenue sources, health care cannot be expanded to a population that will double in size to 40 million by the end of the century.

Agriculture and Rural Development. Recent A.I.D. projects stress growth of private investment by smallholders and rural entrepreneurs. The On-Farm Grain Storage Project (615-0190) and the Rural Private Enterprise Project (615-0220) improve and increase maize storage on small farms and support agro-industrial, export-oriented rural enterprises respectively. The GOK is already convinced that on-farm storage technology must be replicated nationally. The Rural Private Enterprise Project is helping build the foundation for the new private sector project that will stress rural investments and trade.

FY 1985 funds began the Agricultural Management (615-0221) Project which focuses on management constraints faced by private and public organizations servicing smallholder agriculture. On-the-job problem-solving approaches are directed to organizations that seek to serve the agricultural sector more effectively.

KENYA

The FY 1986 Agricultural Research and Education Project (615-0229) addresses the problems of the moribund public research system. Research will be conducted on a variety of crops, domestic and export, and possibly livestock.

Education and Human Resources Development. A.I.D.'s PVO Co-Financing Project (615-0236) channels development funding and supporting services through an indigenous PVO umbrella organization. This $12.0 million project provides support to a consortium of U.S. and Kenyan PVOs in agriculture, health, education, family planning and in selected income generating activities.

P.L. 480. The FY 1986 P.L. 480 Title I program will provide $10.0 million of wheat to help fill a gap averaging 160,000 MT per year. Title I continues to provide an excellent basis for policy dialogue; starting with FY 1985 and continuing in FY 1986, Title I agreements ensure that private sector millers purchase and distribute a progressively larger share of the imported wheat. Shillings generated under Title I are jointly programmed for public and private activities.

Requested Year Program (FY 1987)

Development Assistance of $17.8 million is requested of which $10.9 million is for ongoing projects. The FY 1987 program contains one new bilateral project, Private Enterprise Development (615-0238). This $40.0 million project ($4.0 million in Agricultural Rural Development and Nutrition and $6.0 million on Selected Development Activities in FY 1987) will provide assistance to private enterprise in four broad areas: improved technology; capital development; skills development; and marketing. During FY 1987, $22.0 million in Economic Support Funds will continue U.S. balance of payments and budgetary assistance in support of the GOK's economic restructuring program.

The proposed FY 1987 P.L. 480 Title I program of $8.0 million will finance an estimated 62,000 MT of wheat and the further strengthening of the privatization policy initiated in FY 1985. The local currency generated from the wheat sales will finance self help programs in agricultural production and storage, and activities which foster greater involvement of private enterprise in agriculture.

A P.L. 480 Title II program of approximately $8.1 million in FY 1987, will enable PVOs to test potentially important designs using Title II and Section 416 food, in conjunction with counterpart funds and other AID and local resources, to increase the long-term development impact of carefully-managed food assistance in small locally-adapted programs. The initial focus will be on pastoralist and semi-arid areas of Kenya.

Mission Director: Charles L. Gladson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: KENYA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL SYSTEM SUPPORT PROJECT	G 615-0169	78	83	26,200	26,200	26,200	24,841	---	1,000	---	359
AGRICULTURAL SYSTEM SUPPORT PROJECT	L 615-0169	78	83	23,600	23,600	23,600	21,571	---	1,500	---	229
ARID AND SEMI-ARID LAND DEV (KITUI)	G 615-0172	79	83	13,000	10,901	10,901	7,343	---	3,000	---	558
DRYLANDS CROPPING SYSTEMS RESEARCH	G 615-0180	79	86	4,099	4,133	4,099	3,897	134	200	---	136
RURAL PLANNING II	G 615-0189	80	83	3,575	3,575	3,575	2,661	---	814	---	100
ON-FARM GRAIN STORAGE	L 615-0190	81	81	7,800	7,800	7,800	2,309	---	1,500	---	1,500
RURAL PRIVATE ENTERPRISE	G 615-0220	83	87	12,000	12,000	11,000	1,084	---	1,500	1,000	2,500
RURAL PRIVATE ENTERPRISE	L 615-0220	83	84	24,000	24,000	24,000	---	---	2,400	---	4,800
AGRICULTURAL MANAGEMENT	G 615-0221	85	88	3,000	3,000	1,000	---	---	500	---	600
AGRICULTURAL SECTOR GRANT	G 615-0228	82	82	6,400	6,400	---	---	---	66	---	---
AGRICULTURE RESEARCH EDUCATION	G 615-0229	86	91	---	40,000	---	---	7,387	50	---	3,000
AGRICULTURE SECTOR LOAN	L 615-0230	84	85	13,000	13,000	13,000	5,653	---	7,367	---	---
KENYA PVO CO-FINANCING	G 615-0236	85	88	5,000	10,000	1,200	---	2,000	1,792	1,000	2,100
PRIVATE ENTERPRISE DEVELOPMENT	* G 615-0239	87	91	---	30,000	---	---	---	---	4,000	---
PROGRAM DEV. AND SUPPORT-KENYA	G 615-0510	85	C	---	---	724	219	536	1,000	600	500
TOTAL FOR ACCOUNT				139,674	212,609	127,099	69,878	10,057	22,689	6,600	16,182
GRANTS				71,274	144,209	58,699	40,045	10,057	9,942	6,600	9,653
LOANS				68,400	68,400	68,400	29,833	---	12,747	---	6,529
POPULATION PLANNING											
FAMILY PLANNING II	G 615-0193	82	82	4,000	2,400	2,400	1,122	---	750	---	500

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: KENYA

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
				AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
PRIVATE SECTOR FAMILY PLANNING	G 615-0223	83	86	4,500	4,500	4,500	2,200	---	1,013	---	952
FAMILY PLANNING SERVICES & SUPPORT	G 615-0232	85	91	38,877	38,877	4,000	---	7,800	1,680	---	2,850
KENYA PVO CO-FINANCING	G 615-0236	85	88	3,000	3,000	---	---	---	---	2,000	750
PROGRAM DEV. AND SUPPORT-KENYA	G 615-0510	85	C	---	---	100	47	---	53	39	39
TOTAL FOR ACCOUNT				50,377	48,777	11,000	3,369	7,800	3,496	2,039	5,091
GRANTS				50,377	48,777	11,000	3,369	7,800	3,496	2,039	5,091
LOANS				---	---	---	---	---	---	---	---
HEALTH											
HEALTH PLANNING AND INFORMATION	G 615-0187	79	85	2,550	2,550	2,550	2,361	---	189	---	---
FAMILY PLANNING MANAGEMENT PROGRAM (PVO)	G 615-0216	78	83	310	310	310	---	---	310	---	---
KITUI PRIMARY HEALTH CARE II (PVO)	G 615-0219	83	83	500	500	500	255	---	245	---	---
FAMILY PLANNING SERVICES & SUPPORT	G 615-0232	85	91	4,123	4,123	250	---	2,479	550	1,500	1,150
KENYA PVO CO-FINANCING	G 615-0236	85	88	3,000	3,000	2,000	66	---	700	1,000	750
PROGRAM DEV. AND SUPPORT-KENYA	G 615-0510	85	C	---	---	65	7	37	55	---	10
TOTAL FOR ACCOUNT				10,483	10,483	5,675	2,689	2,516	2,079	2,500	1,910
GRANTS				10,483	10,483	5,675	2,689	2,516	2,079	2,500	1,910
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
KENYA PVO CO-FINANCING	G 615-0236	85	88	500	500	---	---	250	50	250	100
PROGRAM DEV. AND SUPPORT-KENYA	G 615-0510	85	C	---	---	---	---	65	55	---	10

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: KENYA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR ACCOUNT					500	500	---	---	315	105	250	110
GRANTS					500	500	---	---	315	105	250	110
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
RENEWABLE ENERGY DEVELOPMENT	G	615-0205	80	81	4,800	4,800	4,800	3,760	---	700	---	340
SMALL TOWNS HG-TA	G	615-0212	81	85	665	665	565	537	---	128	---	---
PRIVATE SECTOR HOUSING FINANCE	G	615-0225	84	85	1,120	900	500	110	---	350	---	250
MASENO SO. ENTERPRISE DEVELOPMENT (OPG)	G	615-0226	82	82	500	500	500	261	---	239	---	---
KENYA PVO CO-FINANCING	G	615-0236	85	88	500	500	220	---	---	110	223	150
PRIVATE ENTERPRISE DEVELOPMENT	* G	615-0238	87	91	---	10,000	---	---	---	---	6,000	---
PROGRAM DEV. AND SUPPORT-KENYA	G	615-0510	85	C	---	---	100	19	191	200	200	100
TOTAL FOR ACCOUNT					7,[illegible]	17,365	7,185	4,687	191	1,727	6,423	840
GRANTS					7,585	17,365	7,185	4,687	191	1,727	6,423	840
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
STRUCTURAL ADJUSTMENT PROGRAM GRANT	G	615-0213	83	85	76,000	76,000	76,000	28,876	---	32,500	---	13,270
STRUCTURAL ADJUSTMENT PROGRAM GRANT II	G	615-0240	86	88	---	60,000	---	---	14,355	---	22,000	7,855
TOTAL FOR ACCOUNT					76,000	136,000	76,000	28,876	14,355	32,500	22,000	21,125
GRANTS					76,000	136,000	76,000	28,876	14,355	32,500	22,000	21,125
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					284,619	425,734	226,959	109,499	35,234	62,576	39,812	45,258
GRANTS					216,219	357,334	158,559	79,666	35,234	49,829	39,812	38,729
LOANS					68,400	68,400	68,400	29,833	---	12,747	---	6,529

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: KENYA

PLANNED PROGRAM SUMMARY SHEET

Title Private Enterprise Development		Funding Source	AG, RD & N 4,000	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 10,000	Life of Project Funding 40,000 (30,000 ARDN) (10,000 SDA)
Number 615-0238 ☐ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 6,000	Initial Obligation FY 1987	Estimated Final Obligation FY 1991 Estimated Completion Date of Project FY 1994

Purpose: To increase the rate of investment and growth in Kenya's private sector to provide productive employment opportunities thus higher standards of living.

Project Description: Kenya does not have the resources to achieve its ambitious development objectives and meet the needs of its rapidly growing population and must look increasingly to its private sector to achieve economic growth and provide employment and services. The project will have five components, as follow: 1) creation of an equity capital firm to help address the critical shortage of equity finance available to indigenous industries; 2) export promotion and finance to concentrate on agribusiness, manufactures and handicrafts; 3) investment promotion to address policy issues shaping Kenya's investment climate and the official investment approvals process, as well as help develop promotional activities both through Kenya Government agencies and private business associations; 4) informal sector assistance to help provide links for informal sector firms to more formal sources of credit; 5) technical and entrepreneurial training to provide institutional support to existing institutions in Kenya to help relieve the two most important human resource constraints facing Kenya's private sector, lack of knowledge of how to start and manage businesses.

Relationship to USAID/Kenya Strategy: USAID/Kenya strategy stresses the importance of the rapid growth of Kenya's private sector as central to the development and growth of the Kenyan economy. This project will directly address the major constraints impeding that growth.

Host Country and Other Donors: The project will involve the private sector and, where appropriate, concerned public institutions including the Ministries of Planning, Finance, and Commerce and Industry, as well as the Central Bank and specialized agencies such as the Investment Promotion and Advisory Center. A.I.D. will also continue its dialogue on private enterprise issues with other donors. Several donors, such as the International Finance Company, World Bank, Canadian International Development Agency and German Bilateral Aid have expressed interest in increasing their private sector activities and in adopting new approaches to support the private sector.

Beneficiaries: Kenya as a whole will benefit from private enterprise programs and projects through increased economic growth, especially in terms of additional employment opportunities. The owners of small scale and informal sector enterprises, especially in rural areas, will also benefit from assistance.

Major Outputs: Large numbers of trained entrepreneurs and technicians, improved technology development and transfer, improved Kenyan financial institutions and greater lending for businesses, and more effective marketing of Kenya's products.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Extensive technical assistance, training, and technology transfer.	X
Partial capitalization of a venture capital fund.	X

U. S. FINANCING (In thousands of dollars)				Principal Contractors or Agencies
	Obligations	Expenditures	Unliquidated	To be selected.
Through September 30, 1985	-	-	-	
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	10,000	30,000	40,000	

AID 370-7 (11-85)

LESOTHO

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                                             FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (632) LESOTHO

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      1,512

PER CAPITA GNP.......... (DOLLARS,1983)        460

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  6.3%

ANNUAL RATE OF INFLATION (1973-83) 11.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 54.2  MALE 52.4  FEMALE 56.0
                    (1970)   TOTAL 48.9  MALE 47.5  FEMALE 50.4

ADULT LITERACY RATE  (1966)   TOTAL  59%  MALE  44%  FEMALE  68%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1982)    19%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       61


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,LIVESTOCK ,SORGHUM                 50%   (1984)
  CASH: WHEAT ,GREASE WOOL ,GREASE MOHAIR                8%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) GREASE WOOL ,GREASE MOHAIR ,CATT

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1970)    87%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1972)         19 (73)          35 (74)          47
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1972)         21 (73)          28 (74)          34
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1972)         -1 (73)           7 (74)          13
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)   . % ( .)   . % ( .)    . %
  AS % OF GNP................. (   .)   . % ( .)   . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)    48 (83)    67 (84)    49
  EQUIVALENT TO  1.1 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)WOOL          ,MOHAIR        ,WHEAT

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    1  (1984)    1
   AS % OF TOTAL EXPORTS (1981)    0% (1982)    1% (1983)    3%

MAJOR IMPORTS(1983)CORN          ,BLDG MATERIALS ,CLOTHING

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    7  (1983)    8  (1984)   13
   AS % OF TOTAL IMPORTS (1981)    3% (1982)    2% (1983)    2%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -403(82)   -413(83)  -478

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    37.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    12
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)..... (1983)  53.0%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.3% (1978)   2.3% (1985)  2.6%

POPULATION IN URBAN AREAS............(1970)     3%   (1985)   15%

LIVE BIRTHS PER 1,000 POPULATION.... (1970)          (1985)    41

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   7.2%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 42.4% (15-64YRS) 53.3% (65+ YRS)  4.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  98

PEOPLE PER PHYSICIAN................. (1977) 18,642

MAJOR CAUSES OF
DISEASE (1979) INTESTINAL INFEC,GONORRHEA       ,MEASLES
DEATH.. (1973) TUBERCULOSIS    ,HEART DISEASE   ,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   102%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY......... (1982)  TOTAL   128   MALE   110    FEMALE   148
SECONDARY....... (1982)  TOTAL  16.2   MALE  11.0    FEMALE  16.4
POST SECONDARY.. (1978)  TOTAL   1.2   MALE   1.0    FEMALE   1.5

ENERGY PRODUCTION AS % OF CONSUMPTION.........(1982)        . %
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY LESOTHO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	18.9	24.9	16.6	21.0	22.2	163.6	-	163.6
Loans	-	-	-	-	-	-	-	-
Grants	18.9	24.9	16.6	21.0	22.2	163.6	-	163.6
a. A.I.D. and Predecessor Agencies	9.8	10.5	10.2	12.3	13.0	66.2	-	66.2
Loans	-	-	-	-	-	-	-	-
Grants	9.8	10.5	10.2	12.3	13.0	66.2	-	66.2
(Economic Support Fund)	-	-	-	-	-	5.5		
b. Food for Peace (PL 480)	7.8	13.1	5.1	7.3	13.7	83.1	-	83.1
Loans	-	-	-	-	-	-	-	-
Grants	7.8	13.1	5.1	7.3	13.7	83.1	-	83.1
Title I – Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	7.8	13.1	5.1	7.3	13.7	83.1	-	83.1
Emerg. Relief, Econ. Develop. & World Food Program	3.2	9.2	0.8	3.3	4.6	39.1	-	39.1
Voluntary Relief Agencies	4.6	3.9	4.3	4.0	9.1	44.0	-	44.0
c. Other Economic Assistance	1.3	1.3	1.3	1.4	1.5	14.3	-	14.3
Loans	-	-	-	-	-	-	-	-
Grants	1.3	1.3	1.3	1.4	1.5	14.3	-	14.3
Peace Corps	1.3	1.3	1.3	1.4	1.5	14.3	-	14.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	18.9	24.9	16.6	21.0	22.2	163.6	-	163.6
Loans	-	-	-	-	-	-	-	-
Grants	18.9	24.9	16.6	21.0	22.2	163.6	-	163.6
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL........	10.3	32.7	49.6	232.1
IBRD	0.0	0.5	0.0	0.0
IFC	0.0	0.0	0.0	0.3
IDA	0.0	15.2	13.5	98.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	9.4	16.6	36.1	105.3
UNDP	0.9	0.4	0.0	24.3
OTHER-UN	0.0	0.0	0.0	3.3
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	25.0	23.0	103.0
Germany,Fed. Rep.	9.8	14.8	62.5
United Kingdom	6.6	7.1	58.6
Canada	4.1	2.8	22.7
Sweden	2.1	3.4	18.0
Other	6.0	7.4	40.3
Total	53.6	58.5	305.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
	-	N.A.	0.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	5	-	5
Total	5	-	5

LESOTHO

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	---	---	---	---	---	---	---	---
Grants	10,300	5,851	---	1,294	3,155	---	---	---
Total	10,300	5,851	---	1,294	3,155	---	---	---
1986								
Loans	---	---	---	---	---	---	---	---
Grants	9,660	4,522	---	---	5,138	---	---	---
Total	9,660	4,522	---	---	5,138	---	---	---
1987								
Loans	---	---	---	---	---	---	---	---
Grants	9,660	5,460	---	---	4,200	---	---	---
Total	9,660	5,460	---	---	4,200	---	---	---

FY 1987
PROGRAM HIGHLIGHTS

-- Continue implementation of A.I.D. multi-component project in agriculture stressing high value crop and animal production, research, and strengthening of marketing systems and agriculture training. ($5.4 million)

-- Assist Government of Lesotho to reform basic and non-formal education systems. ($4.2 million)

-- Continue Food for Peace program to promote improved mother and child nutrition through maternal and child health (MCH) clinics and rural development through road improvement, conservation and income related projects. ($3.6 million)

LESOTHO

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	---	---	---
Grants	7,391	16,680	14,155
Total AID	7,391	16,680	14,155
P.L. 480 **			
Title I	---	---	---
(of which Title III is)	(---)	(---)	(---)
Title II	6,279	3,829	3,620
Total P.L. 480	6,279	3,829	3,620
Total AID and P.L. 480	13,670	20,509	17,775

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	---	---	---	---	---	---
Rice	---	---	---	---	---	---
Feedgrains	---	---	---	---	---	---
Vegoil	---	---	---	---	---	---
Non-food	---	---	---	---	---	---
Title I Total	---	---	---	---	---	---
(of which Title III is)	---	---	---	---	---	---
Title II [1]						
Voluntary Agencies	17,922	5,331	14,952	3,829	14,326	3,620
Government - to - Government	6,000	948	---	---	---	---
Title II Total	23,922	6,279	14,952	3,829	14,326	3,620
Total P.L. 480	23,922	6,279	14,952	3,829	14,326	3,620

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

LESOTHO

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	9	8	8
PASA[b]	1	1	1
TOTAL	10	9	9

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	59	8	67	74	4	78	40	4	44
Regional[e]	--	--	—	--	--	—	--	--	--
TOTAL	59	8	67	74	4	78	40	4	44

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	2	—	2	1	—	1	--	—	--
Regional[e]	--	--	--	--	--	—	--	--	—
TOTAL	2	—	2	1	—	1	--	—	--

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

LESOTHO

Development Overview

Lesotho, one of the world's least developed countries, is small, landlocked and mountainous with its entire land mass above 5,000 feet. Approximately 90% of Lesotho's 1.5 million people live in rural areas, yet only about 13% of its land is arable. Agriculture, consisting of small scale production of crops and breeding livestock, is hampered by land erosion, overgrazing, the lack of incentives inherent in a traditional land tenure system and, more recently, drought. Limited domestic job opportunities outside the agricultural sector have encouraged approximately 75% of the labor force or 140,000 Lesotho citizens to find work in the Republic of South Africa (RSA). Batsotho employment in South Africa mines, however, estimated at 120,000 of this total, is expected to decrease due to policies which give employment preference to citizens of South Africa and its "homelands", and to mine automation. Meanwhile, the labor force grows by 12,000-15,000 annually.

Lesotho is an enclave within the RSA and is economically dependent on it. Participation in the South African customs union and in the Rand monetary area provides revenue, but these ties limit Lesotho's fiscal and monetary policy options. Over 95% of Lesotho's imports come from the RSA and wages and prices reflect South Africa's economy. Further, the easy availablity of South African goods and competitive advantages offered to domestic and "homelands" firms limit investment opportunities in Lesotho.

Recent drought, setbacks in tourism and mining, the decline in real output in agriculture, and the failure of costly agricultural promotion efforts to achieve increases commensurate with costs have resulted in severe economic difficulty. Lesotho has responded with a six percent sales tax and measures to: curtail government wage growth, improve management of development projects, control financial commitments, and improve debt management and tax collection. While these measures have proven salutary, resolution of the financial crisis will be protracted and difficult.

In light of the foregoing, Lesotho is directing attention to increasing incomes and employment opportunities, particularly in agriculture. While weak, agriculture is the only sector where Lesotho enjoys potential comparative advantages and where relatively quick increases in output and eventual surpluses are possible. The challenge is to transform Lesotho from an economy based on migrant labor and subsistence agriculture into a more modern, self-reliant production and market-oriented economy which provides a reasonable standard of living for the people. A potential bright spot is the proposed Highlands Water Project now under feasibility study. It will enable Lesotho to sell water--one of its few natural resources--to South Africa and earn significant foreign exchange revenues over the next several decades.

LESOTHO

U.S. Interests and Objectives

U.S. interests in Lesotho lie in the development of its economic and social stability and in its long-term economic viability. These interests stem from concern over Lesotho's position as a poor country with severe unemployment, income and quality-of-life problems in the midst of an important region undergoing social, political and economic transition.

A.I.D. Development Strategy

The A.I.D. strategy is to increase income and employment in order to achieve self-sustained development in the long-term. Our strategy, which focuses on two key sectors, agriculture and human resource development, is to establish agriculture and light industries based on agriculture as cornerstones of the economy and to help the Government of Lesotho (GOL) provide relevant education. Both will contribute to greater economic and social viablity and self-sustained development.

A.I.D. Program (FYs 1985-1986)

Agriculture, Rural Development and Nutrition: In FY 1985 the second half of A.I.D.'s two-sector development strategy was implemented with the initiation of the Lesotho Agricultural Production and Institutional Support (LAPIS) Project (632-0221). This multi-component project will increase small farmer agriculture production by expanding production and marketing assistance and strengthening GOL agriculture research and in-country agriculture training capabilities.

Health: With completion of the Rural Water and Sanitation Project (632-0088), A.I.D. bilateral support in health will be largely institutionalized. The training and employment of 58 nurse clinicians have successfully demonstrated the concept of paramedical training to relieve physician workload and have improved rural health care. Over 150 village water systems have been completed, providing improved water supply to about 86,000 people. By 1987, 180,000 people will benefit. Four centers for maintenance and repair of well-drilling rigs and vehicles have been built, staffed and put into operation. Eight hundred demonstration latrines have been built in six areas of the country. A regional activity, Combating Communicable Childhood Diseases, continues support in data collection and analysis, training and planning--areas strengthened under the predecessor A.I.D. Rural Health Development Project. In population, options for assistance which complement government and donor initiatives are being explored.

Education and Human Resources Development: Efforts to reduce personnel shortages at all levels of government are being realized as Basotho return from long-term training and fill key positions. The Basic and Non-Formal Education Systems (BANFES) Project (632-0222) is reforming education in Lesotho to make it more relevant to the employment and development needs of the country. Improvements in primary education are being initiated through improved curricula, teacher training, and instructional materials.

LESOTHO

Food Aid: No new drought relief aid has been provided by A.I.D. since FY 1984, and none is planned at this time. The serious drought in Lesotho is ending after three years, and it appears that the country will not need more emergency food aid. In addition to providing nutritional supplements and nutrition education through Maternal and Child Health (MCH) clinics, P.L. 480 Title II resources are contributing to rural development in the construction and maintenance of rural access and some secondary roads, soil and conservation works, and income-related infrastructure projects such as fish ponds.

Requested Year Program (FY 1987)

Funding of $9.6 million is requested for ongoing programs. By sector, $5.4 million is needed in Agriculture, Rural Development and Nutrition to continue the LAPIS activity (632-0221). In Education and Human Resources Development, $4.2 million is needed to continue the BANFES project (632-0222). In addition, $3.6 million is required to continue P.L. 480 Title II MCH and Food-for-Work activities through Catholic Relief Services.

MISSION DIRECTOR: Edna Boorady

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: LESOTHO

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
FARMING SYSTEMS RESEARCH	G	632-0065	78	85	11,196	10,199	10,199	8,144	---	2,055	---	---
CREDIT UNION DEVELOPMENT (PVO)	G	632-0214	80	84	993	992	992	857	---	135	---	---
LAND CONSERVATION AND RANGE DEVELOPMENT	G	632-0215	80	85	12,000	12,000	12,000	7,445	---	2,250	---	2,305
AGRICULTURE PLANNING	G	632-0218	80	87	6,200	6,200	5,597	3,223	263	620	340	640
AGRI. PRODUCTION & INSTITUTIONAL SUPPORT	G	632-0221	85	90	26,100	26,100	1,363	---	4,259	3,420	5,120	4,049
TOTAL FOR ACCOUNT					56,487	55,491	30,151	19,669	4,522	8,480	5,460	6,994
GRANTS					56,487	55,491	30,151	19,669	4,522	8,480	5,460	6,994
LOANS					---	---	---	---	---	---	---	---
HEALTH												
RURAL WATER AND SANITATION	G	632-0088	79	85	12,142	12,142	12,142	8,248	---	1,580	---	1,500
TOTAL FOR ACCOUNT					12,142	12,142	12,142	8,248	---	1,580	---	1,500
GRANTS					12,142	12,142	12,142	8,248	---	1,580	---	1,500
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
INSTRUCTIONAL MATERIALS RESOURCE CENTER	G	632-0061	77	83	3,381	3,381	3,381	3,098	---	283	---	---
MANPOWER DEVELOPMENT AND TRAINING	G	632-0069	78	84	9,103	8,203	8,203	7,197	---	1,006	---	---
NATIONAL UNIVERSITY OF LESOTHO	G	632-0080	77	85	5,871	4,621	4,621	2,950	---	1,070	---	701
BASIC AND NON-FORMAL EDUCATION SYSTEMS	G	632-0222	84	89	25,750	25,750	6,000	377	5,138	4,180	4,200	4,960
TOTAL FOR ACCOUNT					44,105	41,955	22,205	13,522	5,138	6,539	4,200	5,661
GRANTS					44,105	41,955	22,205	13,522	5,138	6,539	4,200	5,661
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LESOTHO

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
MANPOWER DEVELOPMENT AND TRAINING		G	632-0069	78	86	1,767	1,767	1,767	1,686	---	81	---	---
TOTAL FOR ACCOUNT						1,767	1,767	1,767	1,686	---	81	---	---
GRANTS						1,767	1,767	1,767	1,636	---	81	---	---
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						114,501	111,355	66,265	43,125	9,660	16,680	9,660	14,155
GRANTS						114,501	111,355	66,265	43,125	9,660	16,680	9,660	14,155
LOANS						---	---	---	---	---	---	---	---

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[a] Refers to the planned project summary sheet

[c] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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LIBERIA

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (669) LIBERIA

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      2,232

PER CAPITA GNP.......... (DOLLARS,1983)        480

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.8%

ANNUAL RATE OF INFLATION (1973-83)  7.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970)   5.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 52.1  MALE 50.4  FEMALE 53.9
                     (1970)   TOTAL 43.4  MALE 42.4  FEMALE 44.5

ADULT LITERACY RATE  (1980)   TOTAL  25%  MALE  42%  FEMALE   9%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -1.2%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    32%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       327


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: RICE .. ..                               54%   (1984)
  CASH: COFFEE .RUBBER .COCOA BEANS                     34%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RUBBER .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) RICE .WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1974)    72%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1979)        224 (80)        225 (81)        243
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1979)        365 (80)        314 (81)        353
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1979)       -141 (80)        -88 (81)       -109
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979)  2.5% (80)  5.2% (81)  10.1%
  AS % OF GNP................. (1979)  1.0% (80)  1.7% (81)   3.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)     6 (83)    20 (84)     3
  EQUIVALENT TO  0.5 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)IRON ORE       .RUBBER         .DIAMONDS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   83  (1983)   98  (1984)  107
   AS % OF TOTAL EXPORTS (1981)   28% (1982)   19% (1983)  24%

MAJOR IMPORTS(1983)MACHINERY      .TRANSP EQ      .PETROLEUM PRODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  125  (1983)  121  (1984)  106
   AS % OF TOTAL IMPORTS (1981)   41% (1982)   37% (1983)  35%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    117(82)     107(83)     61

TRADING PARTNERS: UNITED STATES .GERMANY, FEDER .FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    94.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    31
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   7.2%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   3.0% (1978)   3.1% (1985)  3.3%

POPULATION IN URBAN AREAS............(1970)    26%   (1985)   37%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    45

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 44.5% (15-64YRS) 52.1% (65+ YRS)  3.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 127

PEOPLE PER PHYSICIAN................ (1981)  8,549

MAJOR CAUSES OF
DISEASE (1975) MEASLES          .MALARIA          .DYSENTERY
DEATH.. (1982) DEFICIENT DIET  .DYSENTERY        .ENTERIC DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    99%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1974)  20%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL  80.2   MALE   100    FEMALE  60.5
SECONDARY....... (1980)  TOTAL  22.9   MALE  32.9    FEMALE  12.8
POST SECONDARY.. (1979)  TOTAL   2.0   MALE   2.8    FEMALE   1.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     4.9%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY LIBERIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	23.5	55.1	65.5	62.8	66.0	559.9	29.7	530.2
Loans	10.0	15.0	15.0	16.7	15.0	182.3	29.7	152.6
Grants	13.5	40.1	50.5	46.1	51.0	377.6	-	377.6
a. **A.I.D. and Predecessor Agencies**	16.0	37.3	47.0	44.8	48.0	417.4	22.5	394.9
Loans	5.0	-	-	1.7	-	103.1	22.5	80.6
Grants	11.0	37.3	47.0	43.1	48.0	314.3	-	314.3
(Economic Support Fund)	5.2	32.0	35.0	32.0	35.0	144.2		
b. **Food for Peace (PL 480)**	5.2	15.1	15.3	15.0	15.1	81.5	6.4	75.1
Loans	5.0	15.0	15.0	15.0	15.0	71.5	6.4	65.1
Grants	0.2	0.1	0.3	-	0.1	10.0	-	10.0
Title I - Total Sales Agreements	5.0	15.0	15.0	15.0	15.0	71.5	6.4	65.1
Repayable in U.S. Dollars - Loans	5.0	15.0	15.0	15.0	15.0	71.5	6.4	65.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.2	0.1	0.3	*	0.1	10.0	-	10.0
Emerg. Relief, Econ. Develop. & World Food Program	0.2	0.1	0.3	*	0.1	5.0	-	5.0
Voluntary Relief Agencies	-	-	-	-	-	5.0	-	5.0
c. **Other Economic Assistance**	2.3	2.7	3.2	3.0	2.9	61.0	0.8	60.2
Loans	-	-	-	-	-	7.7	0.8	6.9
Grants	2.3	2.7	3.2	3.0	2.9	53.3	-	53.3
Peace Corps	2.3	2.7	3.2	3.0	2.9	52.4	-	52.4
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.9	-	0.9
II. **MILITARY ASSISTANCE – TOTAL**	2.7	6.3	12.6	12.7	12.8	65.4	17.3	48.1
Credits or Loans	2.5	4.7	7.0	6.0	-	28.9	17.3	11.6
Grants	0.2	1.6	5.6	6.7	12.8	36.5	-	36.5
a. MAP Grants	-	1.0	5.0	6.0	12.0	29.3	-	29.3
b. Credit Financing - FMS	2.5	4.7	7.0	6.0	-	28.9	17.3	11.6
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.6	0.6	0.7	0.8	6.8	-	6.8
d. Transfers from Excess Stocks	-	-	-	-	-	0.4	-	0.4
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	26.2	61.4	78.1	75.5	78.8	625.3	47.0	578.3
Loans	12.5	19.7	22.0	22.7	15.0	211.2	47.0	164.2
Grants	13.7	41.7	56.1	52.8	63.8	414.1	-	414.1
Other U.S. Government Loans and Grants	2.1	-	0.5	0.4	-	135.4	192.5	57.1-
a. Export-Import Bank Loans	2.1	-	-	-	-	134.1	192.3	58.2-
b. All Other Loans	-	-	0.5	0.4	-	1.3	0.2	1.1

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	15.6	98.6	11.1	422.9
IBRD	0.0	0.0	0.0	156.0
IFC	0.3	0.2	0.0	0.7
IDA	15.3	18.1	7.6	116.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	79.6	0.0	107.0
UNDP	0.3	0.7	0.0	26.3
OTHER-UN	0.0	0.0	0.0	7.5
EEC	0.0	0.0	3.5	10.9

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	63.0	57.0	243.0
Germany,Fed. Rep.	11.5	21.0	90.9
Japan	7.1	6.1	33.1
United Kingdom	1.7	4.3	11.6
Netherlands	1.1	1.3	7.3
Other	2.1	4.1	10.5
Total	86.5	93.8	396.4

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.5	N.A.	27.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	Negl
Eastern Europe	-	-	-
Total	-	-	-

LIBERIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	58,385	5,844	50	3,051	2,817	3,623	43,000	-
Total	58,385	5,844	50	3,051	2,817	3,623	43,000	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	43,377	5,067	50	4,500	3,950	1,100	28,710	-
Total	43,377	5,067	50	4,500	3,950	1,100	28,710	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	53,780	4,980	50	4,200	3,450	1,100	40,000	-
Total	53,780	4,980	50	4,200	3,450	1,100	40,000	-

FY 1987
PROGRAM HIGHLIGHTS

- $40.0 million in Economic Support Fund (ESF) assistance for balance of payments purposes.
- $13.78 million for incremental funding of A.I.D.'s continuing development portfolio.
- $10.0 million in P.L. 480 Title I rice imports to feed the population and to provide counterpart for the development budget.

LIBERIA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	1,335	4,500	489
Grants	55,254	46,518	53,439
Total AID	56,589	51,018	53,928
P.L. 480 **			
Title I	6,000	11,000	10,000
(of which Title III is)	(-)	(-)	(-)
Title II			
Total P.L. 480	6,000	11,000	10,000
Total AID and P.L. 480	62,589	62,018	63,928

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	-	-	-	-	-	-
Rice	19,000	6,000	34,000	11,000	36,000	10,000
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	19,000	6,000	34,000	11,000	36,000	10,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total	-	-	-	-	-	-
Total P.L. 480	19,000	6,000	34,000	11,000	36,000	10,000

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

LIBERIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	20	19	19
PASA[b]	9	11	11
TOTAL	29	30	30

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel, One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	48	77	42	30	72	52	21	73
Regional[e]	22	5	27	24	8	32	20	-	20
TOTAL	51	53	104	66	38	104	72	21	93

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	1	1	-	3	3	-	4	4
Regional[e]	-	-	-	-	-	-	-	-	-
TOTAL	-	1	1	-	3	3	-	4	4

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

LIBERIA

Development Overview

Liberia continues to experience severe economic problems which have plagued the country for almost a decade. The coup of 1980, subsequent political and economic developments, continued depression in iron ore and rubber markets and prices, and the high degree of uncertainty surrounding the planned shift from a military government to a civilian government have contributed to significant capital flight, liquidity problems and retrenchment in private investment.

Elections were held in October 1985 to return the country to civilian rule, but announced results giving the current government the victory have been contested amid charges and countercharges of irregularities. A coup attempt in November 1985 and actions taken in its wake have added to the severity of the country's economic problems, complicated the political situation, and divided the population. Major social and political issues have not yet been resolved, and the newly elected Doe Government has taken office in an atmosphere of uncertainty that is likely to persist for some time.

Despite the political uncertainties, economic matters require urgent attention. It is too early to predict just how the new government plans to approach economic reform and stabilization, but recent announcements of some new steps to be taken -- a decrease of 25 percent in government wages, a 25 percent cut in numbers of posts in the government service, controls on the amounts of money that can be taken out of the country, etc. -- provide hope that essential reform measures will be reactivated. Unless this is done expeditiously, the economy will continue to deteriorate, placing additional strains on the social and political fabric of the nation.

The lingering effects of the worldwide recession continue to have a serious impact on the Liberian economy. Real gross domestic product (GDP) declined by over 18 percent between 1979 and 1984. Preliminary estimates for 1985 suggest that recent rates of decline will continue well into 1986. The severity of the crisis is reflected in large budget deficits, significant disequilibrium in the balance of payments, and interrupted resource flows from traditional donors.

The Liberian economy is heavily dependent on a limited number of primary exports, chiefly iron ore and rubber. The almost 30 percent decline in export earnings over the last five years has had a marked impact on the economy. Unproductive investments in facilities for the 1979 Organization of African Unity conference, the establishment of inefficient public corporations which drain government finances, large increases in public expenditures since 1980, and rapidly expanding debt servicing requirements are among the major contributing factors of the economic crisis. Debt servicing requirements are expected to reach about $185 million, or about 85 percent of government revenue in 1985/1986.

Liberia's estimated 1985 per capita GDP of $489 masks severe income distribution disparities. Approximately 75 percent of the population lives on an equivalent of less than $250 a year. Unemployment, concentrated in Monrovia, exceeds 50 percent of the labor force; 75 percent of the adult population is illiterate; fewer than 20 percent of the population have access to clean water supplies, and fewer yet have access to basic health services. While Liberia's population is small in comparison to other African countries, it has one of the highest population growth rates (3.4 percent) on the continent. Its institutional and human resource base is extremely limited. About 70 percent of the population is involved in traditional agriculture.

While little progress was made in dealing with vital economic issues during 1985, it is hoped that the Government of Liberia will undertake appropriate remedial action following the inauguration in January 1986. Addressing debt service problems and revitalizing essential economic stabilization and structural adjustment dialogues with the World Bank and the IMF will be important. Between 1982 and 1985 the Government of Liberia reduced its annual wage bill from a high of $157 million to $130 million. While this is still almost twice the level it was before the coup in 1980, it is a significant step in the right direction. Additional steps will have to be taken to reduce the wage bill in 1987.

U.S. Interests and Objectives

The United States has long been identified as Liberia's closest friend, with unique cultural and historical ties dating back to the country's founding in 1847 by former slaves from the United States. Equally important are special U.S. interests, which include strategic rights at the airfield and port, the most important concentration of U.S. Government communications facilities in Africa, and one of sub-Saharan Africa's largest blocks of U.S. private investment. U.S. objectives are to foster economic, financial, and political stability.

A.I.D. Development Strategy

The A.I.D. strategy continues to focus on Liberia's immediate economic crisis. In coordination with other donors, A.I.D. is encouraging the Government of Liberia to make policy changes and structural adjustments that will lead to economic stabilization, eventual recovery and, ultimately, long-term growth. In this connection, A.I.D. is encouraging the implementation of policies to (1) improve fiscal management and revenue generation, (2) reduce public sector expenditures, and (3) enhance the Government's planning capabilities. At the same time, A.I.D. is continuing priority development projects which are critical to Liberia's long term development prospects and are essential for maintaining productive infrastructure and vital social services.

LIBERIA

A.I.D. Program (FYs 1985-1986)

Current Status:

The A.I.D. program for FY 1985 and FY 1986 stresses short-term economic assistance to help Liberia regain control of the economy, reduce budget deficits, restore equilibrium in the balance of payments, and move toward a productive basis for increased employment and economic recovery. In collaboration with other donors, A.I.D. continues to encourage the Government of Liberia to adopt needed economic reform measures. A.I.D.-financed technicians assist in revenue generation efforts and in better budget management and control practices. A.I.D. supported the implementation of a monetary policy which limits central bank credit to the public sector and reduces Government of Liberia budget deficits. The PL 480 Title I program continues to finance rice imports and contributes to the short-term recovery effort by making much needed counterpart resources available for the Government of Liberia's development budget.

FY 1986 Program

Economic Support Fund: Program Grants VII (669-0202) and VIII (669-0205) are providing critical balance of payments support for the Government of Liberia's economic stabilization program.

Agriculture, Rural Development and Nutrition: A.I.D. continues to emphasize the adoption of appropriate agricultural policies and programs, development of sound institutions and increased agriculture productivity through a number of related and mutually supporting activities. The Agricultural Research and Extension II Project (669-0188) is the second phase of an earlier activity which was revised and extended when a recent evaluation disclosed that additional A.I.D. assistance could significantly increase the impact of the Central Agriculture Research Institute on Liberian agriculture. In a closely related effort, the Agricultural Sector Analysis and Planning II Project (669-0209) will continue to assist the Ministry of Agriculture in formulating and implementing coherent agriculture policies. To assist in disseminating appropriate agriculture technology to farmers, A.I.D. also supports a number of extension-oriented activities. The Rural Information Systems Project (669-0134) is establishing a rural radio broadcasting network to disseminate agriculture and other development-oriented information in the major tribal dialects to small farmers in isolated rural areas. The Rural Development Training II Project (669-0185), which is based on the evaluation of an earlier activity, is focusing on training mid-level agricultural technicians and on implementing staffing, management and institutional improvements for the private Cuttington University College's Rural Development Institute. To encourage increased agriculture production, maintain existing infrastructure, and to introduce private sector involvement into road maintenance programs, the Road Maintenance Project (669-0200) is rehabilitating approximately 155 miles of rural roads. Program Development and Support (669-0510) funds are being used for analytical, project design and evaluation purposes.

Health and Population: The Primary Health Care Project (669-0165) continues to develop primary health care services by improving Liberia's institutional capability to provide low-cost, preventive and curative health services in two of Liberia's most underdeveloped and isolated counties. Program Development and Support (669-0510) health funds are being used for analytical and evaluation purposes, and population funds are being used to explore new population activities, to provide limited training for the Liberian Family Planning Association, and to support formulation of a National Population Commission.

Education and Human Resources Development: In support of Government of Liberia efforts to establish a more cost efficient and effective universal primary education system, A.I.D. is financing the Improved Efficiency of Learning II Project (669-0166), which is replicating programmatic instructional methods developed under an earlier project. A series of evaluations of the Phase I project concluded that the new instructional methodology was an effective alternative to traditional methods of delivering low-cost primary education to rural areas. The Phase II project is the first step in disseminating the new methodology nationwide. Under the Economic and Financial Management and Training Project (669-0184), which was extended for two years following an FY 1984 evaluation, A.I.D. assists the Government of Liberia in improving its financial management capabilities in conjunction with the economic stabilization goals of the Economic Support Fund program. The new Manpower Development and Skills Training Project (669-0206) will address critical manpower needs. Program Development and Support (669-0510) funds are being provided for analytical, project design and evaluation purposes.

Selected Development Activities: Customs and income and real estate tax assistance to the Ministry of Finance is continuing under the Increased Revenues for Development Project (669-0132). An October 1984 project evaluation recommended that the project be extended through FY 1986 and that short-term revenue enhancement goals as well as longer-term institutional development goals be emphasized to a greater extent. The Small and Medium Enterprise Development Project (669-0201) is strengthening the Small Enterprise Financing Organization's capability to advise and assist indigenous entrepreneurs in establishing or expanding businesses through credit and technical assistance provided by Partnership for Productivity, a private voluntary organization.

PL 480 Title I: Assistance of $11,000,000 million is planned to complement short-term stabilization efforts and to provide essential counterpart funds to finance selected priority development projects.

LIBERIA

Requested Year Program (FY 1987)

Economic Support Fund: The $40,000,000 in ESF assistance requested for Program Grant IX (669-0207) will be used to provide balance of payments and budget support to assist the Government of Liberia in laying the groundwork for economic recovery and growth.

Agriculture, Rural Development and Nutrition: A.I.D. is requesting $4,980,000 in assistance under this account to provide incremental funding for the following previously authorized projects: Rural Development Training II (669-0185); Agricultural Research and Extension II (669-0188); Road Maintenance (669-0200); and Agricultural Sector Analysis and Planning II (669-0209). Program Development and Support (669-0510) resources will be used for project analysis, design and evaluation activities.

Population: The $50,000 requested under this account will explore new population initiatives, provide limited training and technical assistance to the Liberian Family Planning Association and support the National Population Commission.

Health: The $4,200,000 requested under this account will provide incremental funding for the Primary Health Care Project (669-0165) and additional resources for the Program Development and Support Project (669-0510), which is used for special studies and analyses in the health sector.

Education and Human Resources Development: A.I.D. is requesting $3,450,000 under this functional account to provide incremental funding for the following projects: Improved Efficiency of Learning II (669-0166), Economic and Financial Management and Training (669-0184), and Manpower Development and Skills Training (669-0206). Program Development and Support (669-0510) funds will be used for project analyses, design and evaluation activities.

Special Development Activities: A.I.D. is seeking $1,100,000 under this account to provide incremental funding for the Increased Revenues for Development (669-0132) and Program Development and Support (669-0510) projects. The latter will be used for project analyses, design and evaluation activities.

PL 480 Title I: To complement and reinforce the economic stabilization efforts of the Economic Support Fund program, $10,000,000 in PL 480 Title I assistance is proposed to feed the population and to provide counterpart for continuing development activities.

MISSION DIRECTOR: Mary C. Kilgour

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LIBERIA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL INFORMATION SYSTEM	G 669-0134	80	85	5,000	5,000	5,000	3,661	---	780	---	559
RURAL INFORMATION SYSTEM	L 669-0134	80	85	6,700	6,700	6,700	1,711	---	4,500	---	489
AGRICULTURAL RESEARCH AND EXTENSION	G 669-0135	80	82	4,997	4,997	4,497	4,308	---	179	---	---
AGRICULTURAL ANALYSIS AND PLANNING	G 669-0137	77	84	3,250	3,250	3,250	2,603	---	647	---	---
RURAL DEVELOPMENT TRAINING (PVO)	G 669-0153	77	85	5,880	5,880	5,879	5,680	---	199	---	---
NIMBA CO RURAL TECHNOLOGY (PVO)	G 669-0163	80	85	4,263	4,263	4,263	3,514	---	375	---	374
RURAL DEVELOPMENT TRAINING II (PVO)	G 669-0185	85	88	5,400	5,430	1,230	75	1,100	1,000	1,000	1,000
AGRICULTURAL RESEARCH AND EXTENSION II	G 669-0188	84	92	19,990	19,990	4,807	150	1,000	2,000	2,000	2,000
RURAL ROAD MAINTENANCE	G 669-0200	85	88	4,300	4,300	1,000	---	2,100	1,500	1,200	1,500
AG. SECTOR ANALYSIS AND PLNG II	G 669-0209	86	88	---	3,000	---	---	667	---	750	1,000
PROGRAM DEV. AND SUPPORT-LIBERIA	G 669-0510	85	C	---	---	217	26	200	195	30	200
TOTAL FOR ACCOUNT				59,780	62,780	36,803	21,728	5,067	11,375	4,980	7,122
GRANTS				53,080	56,080	30,103	20,017	5,067	6,875	4,980	6,633
LOANS				6,700	6,700	6,700	1,711	---	4,500	---	489
POPULATION PLANNING											
PRIMARY HEALTH CARE	G 669-0165	83	83	300	300	300	---	---	175	---	125
PROGRAM DEV. AND SUPPORT-LIBERIA	G 669-0510	85	C	---	---	50	---	50	50	50	50
TOTAL FOR ACCOUNT				300	300	350	---	50	225	50	175
GRANTS				300	300	350	---	50	225	50	175
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LIBERIA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
HEALTH												
PRIMARY HEALTH CARE	G	669-0165	83	88	14,700	14,700	7,863	1,570	4,470	4,000	4,170	2,000
PROGRAM DEV. AND SUPPORT-LIBERIA	G	669-0510	85	C	---	---	30	---	30	30	30	30
TOTAL FOR ACCOUNT					14,700	14,700	7,893	1,570	4,500	4,030	4,200	2,030
GRANTS					14,700	14,700	7,893	1,570	4,500	4,030	4,200	2,030
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
IMPROVED EFFICIENCY LEARNING II	G	669-0166	85	90	14,550	14,550	2,000	---	2,350	1,500	2,300	2,000
ECONOMIC FINANCIAL MGMT AND TRNG	G	669-0184	82	87	4,889	6,889	4,889	3,414	1,000	1,200	1,000	1,000
MANPOWER DEV. AND SKILLS TRNG.	G	669-0206	86	91	---	3,000	---	---	500	---	100	300
PROGRAM DEV. AND SUPPORT-LIBERIA	G	669-0510	85	C	---	---	223	163	100	120	50	90
TOTAL FOR ACCOUNT					19,439	24,439	7,112	3,577	3,950	2,820	3,450	3,390
GRANTS					19,439	24,439	7,112	3,577	3,950	2,820	3,450	3,390
LOANS					---	---	---	---	---	---	---	---
* SELECTED DEVELOPMENT ACTIVITIES												
INCREASED REVENUES FOR DEVELOPMENT	G	669-0132	78	87	8,283	9,733	8,283	6,104	400	1,500	1,050	679
LOW INCOME HOUSING PHASE I	G	669-0146	78	81	1,348	1,348	1,348	1,273	---	75	---	---
SMALL MEDIUM ENTERPRISE DEV. (PVO)	G	669-0201	84	85	2,515	2,915	2,515	1,250	400	732	---	432
PROGRAM DEV. AND SUPPORT-LIBERIA	G	669-0510	85	C	---	---	125	18	300	300	50	100
TOTAL FOR ACCOUNT					12,146	13,996	12,271	8,645	1,100	2,607	1,100	1,211
GRANTS					12,146	13,996	12,271	8,645	1,100	2,607	1,100	1,211
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LIBERIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND													
LOW INCOME HOUSING PHASE II		G	669-0167	79	80	5,000	5,000	5,000	3,749	---	1,251	---	---
PROGRAM GRANT VII		G	669-0202	85	85	43,000	43,000	43,000	43,000	---	---	---	---
PROGRAM GRANT VIII		G	669-0205	86	86	---	28,710	---	---	28,710	28,710	---	---
PROGRAM GRANT IX	*	G	669-0207	87	87	---	40,000	---	---	---	---	40,000	40,000
TOTAL FOR ACCOUNT						48,000	116,710	48,000	46,749	28,710	29,961	40,000	40,000
GRANTS						48,000	116,710	48,000	46,749	28,710	29,961	40,000	40,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						154,365	232,925	112,429	82,259	43,377	51,018	53,780	53,928
GRANTS						147,665	226,225	105,729	80,558	43,377	46,518	53,780	53,439
LOANS						6,700	6,700	6,700	1,711	---	4,500	---	489

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: LIBERIA

PLANNED PROGRAM SUMMARY SHEET

Title Program Grant IX		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 40,000	Life of Project Funding 40,000
Number 669-0207 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1987

Purpose: To assist Government of Liberia economic recovery efforts through the provision of foreign exchange for balance of payments purposes.

Project Description: Liberia has been experiencing serious economic difficulties since the late 1970's. The Gross Domestic Product declined by over 18 percent between 1979 and 1984. In recent years, this decline has been exacerbated by unfavorable market conditions for Liberia's exports, severe structural and fiscal problems, and managerial and policy weaknesses, all of which are expected to continue over the short-to-medium term. Over the past four years, large budget deficits have limited the Government of Liberia's ability to maintain adequate development budgets and to meet external debt service payments. Debt servicing requirements for the 1985/1986 period are expected to reach at least $183 million or about 85 percent of Government revenues. Political and economic uncertainties have virtually eliminated private sector capital formation.

To deal with these problems, the Government entered into a series of IMF Standby Agreements which focused on reducing budget deficits through expenditure controls, improving public sector management, and restricting domestic and international credit. While performance under these agreements was generally acceptable, the most recent agreement was suspended in late 1984, when the Government of Liberia was unable to meet its debt service payments to the Fund. Since then, little progress has been made in dealing with Liberia's economic problems.

This project will provide the Government of Liberia with the foreign exchange resources needed to meet critical financial obligations. The grant will contribute to economic recovery and will be conditioned on progress in addressing problems critical to Liberia's future.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s long-term strategy is to promote economic growth and development for all segments of the population, especially the poor, most of whom live in rural areas. So that past economic gains are not sacrificed and to expedite the eventual resumption of long-term development and growth, Liberia's short-run economic crisis is being addressed through an economic stabilization and recovery program. This program is the key component of A.I.D. efforts to assist the Government of Liberia in dealing with its fiscal and balance of payments problems.

Beneficiaries: The immediate direct beneficiary of the grant will be the Government of Liberia. This assistance will help to fill the serious gap in its offshore dollar resources.

Host Country and Other Donors: In addition to the United States, the IMF, the African Development Bank, the World Bank, the Federal Republic of Germany, the European Economic Community and the United Nations Development Program have been the largest contributors to Liberia's development program. An effort is being made to coordinate donor assistance and to elicit greater donor interest in Liberia's economic stabilization and recovery requirements.

Major Outputs: Adoption and implementation by the Government of Liberia of a series of policies leading to economic stabilization, recovery, and, eventually, growth. Actions to reduce the country's large international debt.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Grant to assist Liberia in economic stabilization and recovery efforts	$40,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	▨
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	40,000	-	40,000

Principal Contractors or Agencies

Not applicable.

AID 370-7 (11-85)

MADAGASCAR

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                                                     FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (687) MADAGASCAR

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      9,941

PER CAPITA GNP.......... (DOLLARS,1983)        310

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -1.2%

ANNUAL RATE OF INFLATION (1973-83) 13.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1960)   5.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 50.0  MALE 48.8  FEMALE 51.3
                    (1970)   TOTAL 44.7  MALE 43.5  FEMALE 45.9

ADULT LITERACY RATE  (    .)   TOTAL   .%  MALE   .%  FEMALE   .%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -1.9%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1982)    41%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        25


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,CASSAVA ,CORN                     70%   (1984)
  CASH: COFFEE ,CLOVES ..                              15%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,VANILLA ,CLOVES

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    90%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1972)        197 (73)         244 (74)        242
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1972)        224 (73)         277 (74)        279
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1972)        -27 (73)         -33 (74)        -38
DEFENSE EXPENDITURES.
  AS % OF TOTAL EXPENDITURES.. (    .)   . % (72)  3.5% (73)  4.0%
  AS % OF GNP................. (    .)   . % (72)  0.8% (73)  0.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)              (1982)    20 (83)    29 (84)     59
  EQUIVALENT TO  0.1 MONTHS OF IMPORTS (1979)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COFFEE         ,VANILLA        ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   47  (1983)   72  (1984)   67
   AS % OF TOTAL EXPORTS (1977)   25% (1978)   30% (1979)  18%

MAJOR IMPORTS(1983)RAW MATERIALS  ,INTERMED GOODS ,FOODSTUFFS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   23  (1983)   27  (1984)   43
   AS % OF TOTAL IMPORTS (1977)    4% (1978)    5% (1979)  14%

TRADE BALANCE($ MILLIONS, U.S.)(1977)     39(78)       1(79)  -262

TRADING PARTNERS: FRANCE ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    70.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983)   141
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979)   8.4%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.3% (1978)   2.7% (1985)  2.8%

POPULATION IN URBAN AREAS............(1970)    14%   (1985)   21%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     45

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (    .)     . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 45.6% (15-64YRS) 51.1% (65+ YRS)  3.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 101

PEOPLE PER PHYSICIAN................ (1978) 10,220

MAJOR CAUSES OF
DISEASE (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   108%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  21%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1978)  TOTAL  94.9   MALE  97.7    FEMALE  89.2
SECONDARY....... (1973)  TOTAL  12.7   MALE  15.0    FEMALE  11.6
POST SECONDARY.. (1980)  TOTAL   2.3   MALE   2.5    FEMALE   1.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      5.6%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MADAGASCAR

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	*	9.0	12.1	9.0	13.8	65.4	3.6	61.8
Loans	-	4.6	4.8	8.0	8.0	30.8	3.6	27.2
Grants	*	4.4	7.3	1.0	5.8	34.6	-	34.6
a. A.I.D. and Predecessor Agencies	-	-	0.4	-	0.6	10.7	2.1	8.6
Loans	-	-	-	-	-	5.0	2.1	2.9
Grants	-	-	0.4	-	0.6	5.7	-	5.7
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	*	9.0	11.7	9.0	13.2	54.7	1.5	53.2
Loans	-	4.6	4.8	8.0	8.0	25.8	1.5	24.3
Grants	-	4.4	6.9	1.0	5.2	28.9	-	28.9
Title I - Total Sales Agreements	-	4.6	4.8	8.0	8.0	25.8	1.5	24.3
Repayable in U.S. Dollars - Loans	-	4.6	4.8	8.0	8.0	25.8	1.5	24.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	*	4.4	6.9	1.0	5.2	28.9	-	28.9
Emerg. Relief, Econ. Develop. & World Food Program	*	2.7	6.0	-	3.9	13.9	-	13.9
Voluntary Relief Agencies	-	1.7	0.9	1.0	1.3	15.0	-	15.0
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	*	0.1	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	0.1	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	*	0.1	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	*	9.0	12.1	9.0	13.9	65.5	3.6	61.9
Loans	-	4.6	4.8	8.0	8.0	30.8	3.6	27.2
Grants	*	4.4	7.3	1.0	5.9	34.7	-	34.7
Other U.S. Government Loans and Grants	-	-	-	-	-	5.1	1.8	3.3
a. Export Import Bank Loans	-	-	-	-	-	5.1	1.8	3.3
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	86.9	114.3	108.1	971.6
IBRD	0.0	0.0	0.0	32.6
IFC	7.4	0.0	6.7	26.6
IDA	74.5	30.6	67.0	493.3
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	76.3	29.3	153.4
UNDP	5.0	7.4	0.0	57.3
OTHER-UN	0.0	0.0	5.1	15.5
EEC	0.0	0.0	0.0	192.9

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	15.0	10.0	40.0
France	96.4	52.9	322.8
Japan	28.3	28.0	111.9
Switzerland	6.8	10.6	36.2
Germany,Fed. Rep.	12.6	10.6	34.7
Other	9.1	7.4	62.3
Total	168.2	119.5	607.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
5.1	N.A	43.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	10	85
Eastern Europe	-	-	40
Total	-	10	125

MADAGASCAR

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	5,000	2,000	-	-	-	-	3,000	-
Total	5,000	2,000	-	-	-	-	3,000	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	3,871	1,000	-	-	-	-	2,871	-
Total	3,871	1,000	-	-	-	-	2,871	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	5,000	1,000	-	-	-	-	4,000	-
Total	5,000	1,000	-	-	-	-	4,000	-

FY 1987
PROGRAM HIGHLIGHTS

- Import commodities ($5 million) in support of Madagascar's program of structural reform in the agriculture sector, combined with Title I local currencies ($8.0 million). Centrally funded population activities will also continue, complemented by PVO programs for the improved nutrition of at-risk mothers and children.

MADAGASCAR

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	–	–	–
Grants	46	3,000	4,000
Total AID	46	3,000	4,000
P.L. 480 **			
Title I	11,000	8,000	8,000
(of which Title III is)	(–)	(–)	(–)
Title II	1,575	1,769	2,460
Total P.L. 480	11,575	9,769	10,460
Total AID and P.L. 480	11,621	12,769	14,460

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

MADAGASCAR

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	–	–	–	–	–	–
Rice	42,000	11,000	14,000	4,000	14,000	4,000
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	6,000	4,000	8,000	4,000
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	42,000	11,000	20,000	8,000	22,000	8,000
Title II 1/						
Voluntary Agencies	4,423	1,575	5,496	1,769	7,696	2,460
Government - to - Government	–	–	–	–	–	–
Title II Total	4,423	1,575	5,496	1,769	7,696	2,460
Total P.L. 480	46,423	11,575	25,496	9,769	29,696	10,460

1/ See main volume P L. 480 narrative and table for breakout of the World Food Program by country

MADAGASCAR

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	1	1	2
PASA[b]	–	–	–
TOTAL	1	1	2

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	1	1	–	5	5	2	5	7
Regional[e]	2	8	10	5	14	19	5	14	19
TOTAL	2	9	11	5	19	24	7	19	26

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	14	14	–	40	40	–	35	35
Regional[e]	–	5	5	–	9	9	–	15	15
TOTAL	–	19	19	–	49	49	–	50	50

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

MADAGASCAR

Development Overview

Madagascar, the fourth largest island in the world, nearly the size of Texas, has under-utilized economic potential. 80% of Madagascar's 9.9 million people are engaged in agriculture, and 70% of all farmers are active in rice production. With a national cattle herd of 10 million head, beef is the second most important foodstuff. The island's cool central highlands and tropical coastal regions, combined with varying soil conditions and rainfall, permit a rich diversity of crops. Coffee, cloves, and vanilla are the leading exports. The fish and shellfish sector is promising. Moderately rich in minerals, mostly unexploited, Madagascar also is endowed with a largely untapped network of rivers with great potential for irrigation and hydro-electric power.

Despite this overall promise, Madagascar remains a very poor country, with per capita GDP in 1983 of $310. Economic development has been retarded in recent years, in part by diminished demand for the island's exports and by deteriorating terms of trade. Even more detrimental have been Government policies and practices since 1975 which had led to widespread nationalization, regulatory intervention, and neglect of agriculture. The Government began to correct these policies in 1983 with the assistance of the IMF, World Bank, and several trading partners. Meanwhile, Madagascar suffers from a severe shortage of foreign exchange for essential imports. Linked with this, Madagascar's infrastructure, especially roads and irrigation dikes, has deteriorated seriously, making farm supply and marketing difficult at best and often impossible. Dwindling forest resources and soil erosion require urgent attention. Population growth, officially 2.8%, is outstripping food production.

U.S. Interests and Objectives

U.S.-Malagasy relations have improved considerably in recent years. The Government's efforts in close cooperation with the IMF and World Bank to introduce austerity measures and structural reforms, together with its adoption of a more genuinely non-aligned posture on international issues, have provided a rationale for U.S. support. The island's strategic location on Indian Ocean shipping lanes, plus its potential as an African trading partner, make the further strengthening of bilateral ties of mutual, long term benefit.

A.I.D. Development Strategy

The overall purpose of the A.I.D. program in Madagascar is to help achieve higher per capita agricultural production in ways consistent with improving soil and forest resources. A chief objective of the program has been to ease the severe foreign exchange shortage and allow import of essential equipment, including spare parts required for agricultural production and transport. This is to help rehabilitate rural infrastructure, notably water control systems and road networks, which is critical to increasing agricultural production.

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The United States will devote the greater part of its support to assist the Government in undertaking policy and institutional reforms that are essential to rekindle economic growth in Madagascar. A.I.D. through centrally-funded programs has supported activities to increase per capita food production, increase Malagasy awareness of the importance of family planning, and introduce energy and natural resource practices which will improve the use of land area for agriculture production.

A.I.D. Program (FYs 1985-1986)

In FY 1985, U.S. assistance to Madagascar approximated $18.8 million. The program consisted of PL-480 Title I, Title II, and $5.0 million for the Madagascar Agriculture Rehabilitation and Support project (MARS I) ($2.0 million DA and $3.0 million ESF). The rehabilitation work financed by Title I counterpart funds ($11.0 million in FY 1985, $8.0 million in FY 1986) supplement the MARS project. MARS also complements the A.I.D.-funded ($1.2 million) Cooperative Research Agreement which the Government has with the International Rice Research Institute (IRRI) to adapt miracle varieties to the range of soil and climate conditions in Madagascar.

A.I.D. plans to provide $8.0 million in PL-480-Title I, and $1.0 million in Development Assistance (DA) and $2.871 million in Economic Support Funds (ESF) during FY 1986 to continue implementation of the MARS project. The purpose of this project is to support the rehabilitation and mid-term recovery of the agriculture sector in Madagascar through 1) increased foreign exchange allocations for imports of key agricultural and rural transportation inputs (spare parts, small tractors, bridge decking) required for the rehabilitation effort, and 2) short-term assistance and training in support of data processing and policy analysis of key agriculture economic problems.

In the second sector of U.S. interest, family health care, A.I.D. is continuing the Title II maternal/child health feeding programs ($1.8 million) through the Catholic Relief Services (CRS), as well as a centrally-funded population program.

Requested Year Program (FY 1987)

In FY 1987, A.I.D. will initiate, a medium-term, institution building approach through a new bilateral project. The MARS II project funded at $5.0 million ($1.0 million DA and $4.0 million ESF), will build upon the experience which has been accumulated in the agriculture sector, and will be carried out in continued close coordination with the World Bank and other reform-oriented donor agencies.

MADAGASCAR

Beginning in FY 1987, A.I.D. also expects to have in place a private sector mechanism for use of counterpart funds to provide credit to small and medium size entrepreneurs, perhaps in conjunction with foreign currencies provided by another donor. Title I will continue at an $8.0 million level, with the rice component being reduced as local rice production increases in favor of vegetable oil and other food commodities. In the family health sector, feeding programs will continue through Catholic Relief Services ($2.5 million), as well as support to child spacing activities though centrally funded programs.

Director Regional Economic Development Services Office, East and Southern Africa (REDSO/ESA): John W. Koehring (Resident in Nairobi)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MADAGASCAR

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
AGRICULTURAL REHABILITATION SUPPORT		G	687-0101	85	86	2,000	3,000	2,000	46	1,000	1,500	---	1,400
AGRICULTURAL REHABILITATION SUPPORT II	*	G	687-0102	87	87	---	1,000	---	---	---	---	1,000	600
TOTAL FOR ACCOUNT						2,000	4,000	2,000	46	1,000	1,500	1,000	2,000
GRANTS						2,000	4,000	2,000	46	1,000	1,500	1,000	2,000
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
AGRICULTURAL REHABILITATION SUPPORT		G	687-0101	85	86	3,000	5,871	3,000	---	2,871	1,500	---	1,000
AGRICULTURAL REHABILITATION SUPPORT II	*	G	687-0102	87	87	---	4,000	---	---	---	---	4,000	1,000
TOTAL FOR ACCOUNT						3,000	9,871	3,000	---	2,871	1,500	4,000	2,000
GRANTS						3,000	9,871	3,000	---	2,871	1,500	4,000	2,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						5,000	13,871	5,000	46	3,871	3,000	5,000	4,000
GRANTS						5,000	13,871	5,000	46	3,871	3,000	5,000	4,000
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MADAGASCAR

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Rehabilitation and Support II (MARS II)		Funding Source ESF $4,000	AG, RD & N ARDN $1,000	Health -	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000	Life of Project Funding 5,000
Number 687-0102 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population -	ED. & HR -	Sel. Act. -	Initial Obligation FY 1987	Estimated Final Obligation FY 1987
					Estimated Completion Date of Project FY 1980	

Purpose: This project will support improved policies, better resource management, and more extensive applied research in the agriculture sector, together with a farming systems-based area production program.

Project Description: MARS II, growing out of preliminary work under its predecessor project, will have four principle components. The first will be continued policy dialogue through continuation of the senior economist and studies begun under the Agriculture Policy Analysis Project (APAP), financed by MARS I. Second, continued emphasis will be given to improve data collection and analysis, including work on the Management Information Systems of the Agriculture and Livestock ministries and the Directorate of Plan. This will extend the work begun by the U.S. Bureau of Census (BUCEN), and add a new element, a natural resource inventory using Remote Sensing techniques including institution building within the Ministry of Research. Third, MARS II will extend applied research activities by IRRI and other international agriculture research centers as initiated under the parent project. A key constraint in this area, Madagascar's seed import quarantine system, will receive particular attention. Finally, a PVO will be selected to design and implement an area production program incorporating the findings of farming systems research. The commodity financed by this project will consist of spare parts for selected road maintenance and agricultural tractors and bridge decking components.

Relationship of Project to A.I.D. Country Strategy: MARS II will extend the work begun under MARS I to restore the pace of growth which the agriculture sector enjoyed in the 1960's and early 1970's. This is consistent with A.I.D.'s strategy of strengthening agricultural production in a contest of policy reform.

Host Country and Other Donors: The proposed project, in the same way as its predecessor, will be closely integrated with World Bank and UNDP-funded activities in the agriculture Service Project and the FAO's quarantine improvement program. The policy reform effort will be directed towards decontrol of prices, liberalization of market mechanisms, and restructuring and reduction of parastatals. These reforms are assisted by the World Bank, IMF, and certain major bilateral sources, in line with the Malagasy reform program announced in April, 1983 and reconfirmed at subsequent Consultative Group meetings.

Beneficiaries: The beneficiaries of these activities are at several levels:

1) official personnel in Ministries who will perform better agriculture planning, research, and policy design; 2) farmers who will receive better supply services and higher farmgate prices as a result of liberal price and marketing policies; and 3) consumers who will eventually have a larger supply of foodstuffs at reasonable prices.

Major Outputs:

Improved analytical capability for agriculture policy reform and project identification

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance/Commodities	$5,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To be selected
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	5,000	-	5,000	

MALAWI

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (612) MALAWI

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)       7,056

PER CAPITA GNP.......... (DOLLARS,1983)         210

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.2%

ANNUAL RATE OF INFLATION (1973-83)  9.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1967)  10.4%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 45.2  MALE 43.9  FEMALE 46.5
                     (1970)   TOTAL 40.0  MALE 38.4  FEMALE 41.6

ADULT LITERACY RATE  (1966)   TOTAL  22%  MALE  34%  FEMALE  12%

--------------
*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)   0.7%

AGRICULTURAL PRODUCTION AS % OF GDP............(1980)    48%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       154


MAJOR CROP(S)                                ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,PULSES ,SORGHUM                 72%   (1984)
  CASH: TOBACCO ,TEA ,SUGARCANE                       5%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TOBACCO ,TEA ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,DAIRY PRODS. ,ANIMAL PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1977)    84%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1980)        297 (81)         292 (82)        259
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1980)        439 (81)         442 (82)        350
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1980)       -143 (81)        -150 (82)        -91
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 12.5% (81)  8.4% (82)  7.5%
  AS % OF GNP................. (1980)  4.6% (81)  3.0% (82)  2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982)    23 (83)    16 (84)    57
  EQUIVALENT TO  0.9 MONTHS OF IMPORTS (1982)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)TOBACCO        ,TEA            ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   22  (1983)   13  (1984)   30
   AS % OF TOTAL EXPORTS (1980)   22% (1981)   32% (1982)  10%

MAJOR IMPORTS(1983)MFRD GOODS     ,MACH.TRANSP. EQ,BLDG MATERIALS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    9  (1983)    9  (1984)    3
   AS % OF TOTAL IMPORTS (1980)    6% (1981)    7% (1982)    5%

TRADE BALANCE($ MILLIONS, U.S.)(1980)    -34(81)     30(82)    28

TRADING PARTNERS  UNITED KINGDOM ,SOUTH AFRICA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    68.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983)    58
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982)  25.5%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.3% (1978)   3.0% (1985)  3.3%

POPULATION IN URBAN AREAS............(1970)     6%   (1983)    11%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     54

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 48.6% (15-64YRS) 47.7% (65+ YRS)  3.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 159

PEOPLE PER PHYSICIAN................ (1977) 47,491

MAJOR CAUSES OF
DISEASE (1981) MALARIA         ,MEASLES          ,INTESTINAL INFEC
DEATH.. (1977) GASTROINTESTINAL,FLU & PNEUMONIA ,MALARIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    96%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  41%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL  82.9   MALE  95.0    FEMALE  70.2
SECONDARY....... (1980)  TOTAL   2.8   MALE   3.9    FEMALE   1.7
POST SECONDARY.. (1980)  TOTAL   0.3   MALE   0.4    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     18.8%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MALAWI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	5.9	9.5	8.7	8.1	9.6	100.1	6.6	93.5
Loans	-	2.2	-	-	-	33.1	6.6	26.5
Grants	5.9	7.3	8.7	8.1	9.6	67.0	-	67.0
a. A.I.D. and Predecessor Agencies	4.4	6.0	7.7	7.1	7.6	77.9	6.3	71.6
Loans	-	-	-	-	-	30.9	6.3	24.6
Grants	4.4	6.0	7.7	7.1	7.6	47.0	-	47.0
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	1.1	2.9	0.1	0.2	1.2	8.9	0.3	8.6
Loans	-	2.2	-	-	-	2.2	0.3	1.9
Grants	1.1	0.7	0.1	0.2	1.2	6.7	-	6.7
Title I - Total Sales Agreements	-	2.2	-	-	-	2.2	0.3	1.9
Repayable in U.S. Dollars - Loans	-	2.2	-	-	-	2.2	0.3	1.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.1	0.7	0.1	0.2	1.2	6.7	-	6.7
Emerg. Relief, Econ. Develop. & World Food Program	1.1	0.7	0.1	0.2	1.2	6.1	-	6.1
Voluntary Relief Agencies	-	-	-	-	-	0.6	-	0.6
c. Other Economic Assistance	0.4	0.6	0.9	0.8	0.8	13.3	-	13.3
Loans	-	-	-	-	-	-	-	-
Grants	0.4	0.6	0.9	0.8	0.8	13.3	-	13.3
Peace Corps	0.4	0.6	0.9	0.8	0.8	13.3	-	13.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	*	0.1	0.2	0.2	0.4	-	0.4
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	*	0.1	0.2	0.2	0.4	-	0.4
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	*	*	0.1	0.2	0.2	0.4	-	0.4
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	5.9	9.5	8.8	8.3	9.8	100.5	6.6	93.9
Loans	-	2.2	-	-	-	33.1	6.6	26.5
Grants	5.9	7.3	8.8	8.3	9.8	67.4	-	67.4
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	58.3	143.1	70.6	789.6
IBRD	0.0	18.0	6.4	99.6
IFC	0.0	0.0	2.3	28.3
IDA	56.4	83.4	38.8	447.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.6	35.7	23.1	144.7
UNDP	1.3	0.3	0.0	41.4
OTHER-UN	0.0	5.7	0.0	14.0
EEC	0.0	0.0	0.0	14.3

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	4.0	6.0	25.0
United Kingdom	23.8	18.1	160.9
Germany,Fed. Rep.	21.7	14.5	148.8
Canada	6.6	7.8	93.7
Japan	5.7	5.1	41.9
Other	6.9	7.7	63.4
Total	68.7	59.2	533.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
0.1	N.A.	0.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

MALAWI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	---	---	---	---	---	---	---	---
Grants	24,700	4,200	1,000	2,000	---	2,500	15,000	---
Total	24,700	4,200	1,000	2,000	---	2,500	15,000	---
1986								
Loans	---	---	---	---	---	---	---	---
Grants	9,200	6,100	880	1,920	---	300	---	---
Total	9,200	6,100	880	1,920	---	300	---	---
1987								
Loans	---	---	---	---	---	---	---	---
Grants	9,220	3,220	3,000	3,000	---	---	---	---
Total	9,220	3,220	3,000	3,000	---	---	---	---

FY 1987
PROGRAM HIGHLIGHTS

-- Improve agricultural research and extension systems to assure adequate food production for local consumption and for export; promote employment and increase income for the rural population. ($3.2 million)

-- Expand child spacing services, in conjunction with strengthening maternal/child health services, to increase access to services while decreasing infant and child mortality rates. ($6.0 million)

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RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY 85** **(Actual)**	**FY 86** **(Estimated)**	**FY 87** **(Proposed)**
Aid *			
Loans	---	---	---
Grants	4,235	15,873	17,319
Total AID	4,235	15,873	17,319
P.L. 480 **			
Title I	---	---	---
(of which Title III is)	(---)	(---)	(---)
Title II	---	---	---
Total P.L. 480	---	---	---
Total AID and P.L. 480	4,235	15,873	17,319

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	**FY 85 (Actual)**		**FY 86 (Estimated)**		**FY 87 (Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	---	---	---	---	---	---
Rice	---	---	---	---	---	---
Feedgrains	---	---	---	---	---	---
Vegoil	---	---	---	---	---	---
Non-food	---	---	---	---	---	---
Title I Total	---	---	---	---	---	---
(of which Title III is)	---	---	---	---	---	---
Title II [1]						
Voluntary Agencies	---	---	---	---	---	---
Government - to - Government	---	---	---	---	---	---
Title II Total	---	---	---	---	---	---
Total P.L. 480	---	---	---	---	---	---

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

MALAWI

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7	8	8
PASA[b]	2	4	4
TOTAL	9	12	12

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	37	–	37	40	8	48	43	8	51
Regional[e]	24	20	44	21	8	29	13	4	17
TOTAL	61	20	81	61	16	77	56	12	68

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	4	6	10	2	0	2
Regional[e]	–	20	20	2	30	32	3	40	43
TOTAL	–	20	20	6	36	42	5	40	45

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

MALAWI

Development Overview

During the last several years, as much public attention and assistance was directed to the human suffering across Africa, the Government of Malawi (GOM) was quietly but vigorously pursuing policies and programs aimed at food self-sufficiency and rural development. While many others awaited food aid, Malawians produced enough maize to feed themselves and export to neighboring countries. While most African economies stagnated during the last two decades, Malawi's has grown modestly, averaging 2.2% annual GNP growth during 1965-83. Although Malawi continues to be one of the poorest countries in the world as measured by a GNP per capita of $210, the well-being of rural Malawians, who comprise 84% of the population, is improving as indicated by rising literacy, longer life expectancy and falling infant and child mortality rates.

When Malawi became independent in 1964, the prospects for such growth were not apparent. The country was land-locked and lacked human, capital and natural resources. It had some important characteristics, however, on which to build: relatively good soils, adequate rainfall to support rainfed agriculture, a wide range of climatic and soil conditions which permit a variety of crops and forest products to be grown, a fairly homogenous social structure, and a large and productive rural population.

The GOM has adopted a development strategy which capitalizes on these factors. Agricultural production serves as the basis for broad economic and social development. The Government has deliberately kept wages low to discourage rural to urban migration, avoided unnecessary expansion of the public service, and steadily raised producer prices in order to encourage Malawians to stay on the farm. It has also allocated resources to encourage production of both cash crops and food crops. Thus, despite severe geographical and economic constraints, Malawi has become one of the region's major exporters of agricultural commodities, most notably tea, tobacco, sugar and maize. Due primarily to the GOM's pragmatic development strategy and its open market oriented economic policy, national and individual incomes increased steadily during the first fifteen years after independence.

In 1980, the long-term pattern of sustained economic growth was interrupted, due largely to external causes such as rising energy costs, international recession, and regional political upheavals and economic instabilities. The single development, however, which has had the most devastating effect on the Malawian economy has been the disruption of Malawi's external transport routes. Previously, over 90% (745,000 MT in 1980) of Malawi's international trade was handled by direct rail links to the Mozambiquean ports of Beira or Nacala. By the end of 1984 these railways were virtually inoperative and 95% of Malawi's imports and exports were flowing over one of five alternate routes. The new routings range from three to six times longer than the direct rails and consequently, transport costs have skyrocketed. On the import side, containerized cargo costs doubled, the cost of transporting bagged fertilizer rose, and fuel transport costs increased several fold, depending on the particular routing. For the principal export crops, tea and tobacco, transport costs also rose several fold. Moreover, the alternate routes have not been wholly reliable.

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The Malawi economy has had to pay a stiff price for the regional transportation dislocation. The GOM estimates that the annual cost to the economy is $50.0 million, almost equal to the annual government budget deficit. Ultimately, the Malawian consumer must pay the price in the form of higher prices and reduced disposable income. Not only have critically needed export proceeds been eaten away (almost 60% of export earnings went to defray transport costs in 1983) and import prices risen, Malawi has not been able to market competitively its produce in neighboring countries. Consequently, the GOM attaches top priority to resolving the transport crisis. It is directing resources to the development of a Malawian private sector trucking industry and opening up new routes, particularly the "northern corridor" transport system which would be considerably cheaper and more dependable than the current alternate routes.

In response to changing economic conditions, the GOM has embarked on a comprehensive structural adjustment program which has included: budgetary restraint and deficit reduction, parastatal reorganization, currency devaluation, industrial and consumer price decontrol, agricultural producer price increases and subsidy reductions.

The future growth and development of the Malawian economy depends on easing the drain on resources caused by the transport crisis, the growth of smallholder agricultural production and rural off-farm employment. Given tightly limited public financing, it is only through increasing rural incomes that economic energies can be tapped and the delivery of basic human needs services can be strenghtened, financed and sustained. The GOM requires external assistance to strengthen national agricultural development programs aimed at promoting crop diversification and increasing productivity.

U.S. Interests and Objectives

Malawi has an open-market, export-oriented economy. As a matter of policy, the GOM is hospitable to private enterprise and foreign investment. Foreign investors receive attractive tax incentives and depreciation allowances, and there are relatively few restrictions on profit and dividend repatriation. The GOM has repeatedly demonstrated its willingness and ability to adopt tough policies and to implement successfully adjustment measures such as monetary and fiscal restraint and tight wage controls, even while decontrolling prices.

Since independence, Malawi has remained politically stable and, under the strong leadership of a single civilian President, has deliberately, vigorously and successfully pursued a rural-based national development program.

Malawi's foreign policy has been consistently pro-West, and generally supports the U.S. position when important issues come before international bodies. The Government is strongly anti-communist and emphasizes dialogue rather than confrontation. The GOM supported majority-rule in Zimbabwe, supports U.S. efforts for a negotiated settlement in Namibia and has pragmatically maintained diplomatic and trade relations with South Africa while publicly deploring apartheid.

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U.S. interests and objectives are best served by encouraging the GOM to continue its strong pro-Western political and economic orientation. Continued American financial assistance to promote economic growth and development as well as political stability in Malawi is crucial to achieving our objectives. As the United States continues to promote peaceful change and stability in the region, Malawi, as a stable, vibrant and growth-oriented nation can serve as an important model within the region and for the continent as a whole.

A.I.D. Development Strategy

The goals of the A.I.D. investment program are to increase incomes of the rural population and to help reinforce the GOM's efforts to allocate its scarce financial resources more rationally. Our strategy aims to lay a foundation for growth by monitoring agricultural production, economic reforms, family planning, institutional development and human resource development.

A.I.D., in collaboration with the GOM, has identified four major problem areas impeding sustained economic growth toward which we believe U.S. assistance should be directed:

1. Low smallholder agricultural productivity, limited rural income and few off-farm employment opportunities;

2. Critical shortage of financial resources, both foreign and domestic;

3. High population growth rate and low child survival rate;

4. Insufficient development planning, analysis and management capacities in both the public and private sectors.

A.I.D.'s program is designed to help resolve these complex development problems, in coordination with other donors. While investments are targeted to address specific constraints, they tend to cut across sectors and are mutually reinforcing. For example, our efforts to diversify agricultural production into higher-value export crops should help increase rural income as well as improve Malawi's terms of trade. Similarly, investments which permit cheaper, more dependable transport of exports and imports will save scarce domestic resources and increase foreign exchange earnings while helping stimulate agricultural production. Likewise, health/population sector assistance will improve the well-being and standard of rural living while protecting investments in agriculture from being undermined by rapid population growth.

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A.I.D. Program (FYs 1985-1986)

A.I.D. concentrated investments in Malawi in four interrelated sectors in FYs 1985 and 1986: agriculture, transport, health/population and the private sector. A.I.D. is also heavily involved in economic policy reform as part of the broader structural adjustment process the GOM has undertaken with World Bank and IMF assistance.

In the agriculture sector, the GOM has recently reorganized its agricultural development programs in order to strengthen extension and research linkages, largely as a result of A.I.D. assistance. The Agricultural Research and Extension Project (612-0215) is developing appropriate technologies which will permit the smallholder to intensify traditional food crop production and diversify into new cash crops as well. The extension service is also being strengthened. In a related program, A.I.D. is supporting the GOM in removing fertilizer subsidies to free up limited government revenue while simultaneously shifting to more cost-efficient, concentrated fertilizers so that agricultural production does not decline. Integrated community development services are being fostered by an American PVO under the Rural Development Linkages Project (612-0220). Based upon good progress to date, Save the Children is expanding its efforts into a second region and a mid-term evaluation is focusing on how the program can be replicated more broadly.

A.I.D. is helping the GOM tackle its severe transport problems which, given the massive drain on foreign and domestic financial resources, is the major constraint impeding economic development. The Commercial Transport Project (612-0218) is providing credit to private enterprises through a commercial financial institution for truck purchases along with technical assistance to improve national transport planning and monitoring. This activity will assist in developing a private sector national haulage capacity. Development of the Blantyre-Dar es Salaam route or "Northern Corridor" transport system, which is intended to provide a more reliable, less expensive route for Malawi's imports and exports, is getting underway. A.I.D. expects to contribute to this high-priority, multi-donor financed project through our Southern Africa Regional Program.

In collaboration with the GOM, A.I.D. has been working to expand the role of the private sector in Malawi's development. In addition to the transport sector investments, programs being implemented by Africare and Credit Unions National Association (CUNA) are helping strengthen the operations of two rural credit institutions. This assistance will permit the provision of credit to small and medium entrepreneurs. Partners for Productivity is helping improve an indigenous business advisory service under the Management Assistance to Rural Traders Project (612-0214). Another important private sector activity is the Agricultural Diversification Program which is helping, through U.S. agricultural entrepreneurs, restructure, privatize and diversify a group of Government-owned agricultural estates. As a part of policy reform efforts, A.I.D. is also planning to fund a major study of the GOM's most important agricultural parastatal, the Agriculture Development and Marketing Corporation (ADMARC), to examine divestiture options and identify measures to increase operational efficiency.

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There is positive momentum in the health and population sector. The GOM continues to publicly encourage child spacing, for the well-being of mother and baby. The Health Institutions Development Project (612-0211), being implemented by a Howard University team, is strengthening maternal child health/family planning services through curriculum development, training of trainers, and training of over 900 Malawian health personnel. Also under this project a new Health Sciences Training Center is being constructed. The regionally-funded Combatting Childhood Communicable Diseases project (698-0421.12) is expanding childhood immunization, diarrheal control (ORT) and malaria prevention services. The Self-help Rural Water Project (612-0207) is supplying low-cost, clean water and health education to 500,000 Malawians and is serving as a model for replication throughout the country.

Under the African Economic Policy Reform Program, in FY 1985 Malawi also received a $15.0 million grant to help the country implement policy reforms related to improving the agricultural sector. (Malawi Economic Policy Reform Program, 612-0225.)

Requested Year Program (FY 1987)

A.I.D. requests an additional $3.220 million of Agriculture, Rural Development and Nutrition funds for the Malawi Agricultural Research and Extension Project (612-0215).

A.I.D. also requests $6.0 million in health and population funds to initiate a new Maternal Child Health/Child Spacing Project (612-0226). This will build on prior Mission and centrally-funded population and health projects. It is fully consistent with our strategy and complementary to other investments because if population growth continues at its current rate it will outstrip agricultural production increases. A.I.D.'s approach will be consistent with the GOM's strategy to promote family planning through child spacing, in the context of integrated maternal and child health services.

A.I.D. REPRESENTATIVE - John F. Hicks

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MALAWI

CP 87

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL RESEARCH	G 612-0202	79	82	9,000	9,000	9,300	8,013	---	300	---	400
MALAWI UNION OF SAVINGS COOP DEV (PVO)	G 612-0205	80	81	760	760	760	667	---	93	---	---
RURAL ENTERPRISES & AGRIBUSINESS DEVELOP	G 612-0214	84	85	5,100	5,100	5,100	310	---	1,800	---	1,350
AGRICULTURAL RESEARCH AND EXTENSION	G 612-0215	85	88	14,000	15,000	1,445	---	6,100	465	3,220	2,550
MANAGEMENT ASSIST. TO RURAL TRADERS (PVO	G 612-0219	83	83	2,828	2,828	2,828	829	---	450	---	1,549
RURAL DEVELOPMENT LINKAGES (PVO)	G 612-0220	83	84	1,250	1,250	1,250	343	---	300	---	250
TOTAL FOR ACCOUNT				32,938	33,938	20,583	10,162	6,100	3,638	3,220	6,099
GRANTS				32,938	33,938	20,583	10,162	6,100	3,603	3,220	6,099
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
HEALTH INSTITUTIONS DEVELOPMENT	G 612-0211	84	86	3,280	3,280	2,400	4	880	600	---	900
FAMILY PLANNING	* G 612-0226	87	87	---	3,000	---	---	---	---	3,000	---
TOTAL FOR ACCOUNT				3,280	6,280	2,400	4	880	600	3,000	900
GRANTS				3,280	6,280	2,400	4	880	600	3,000	900
LOANS				---	---	---	---	---	---	---	---
HEALTH											
RURAL WATER	G 612-0207	80	81	6,000	6,000	6,300	3,950	---	1,350	---	600
HEALTH INSTITUTIONS DEVELOPMENT	G 612-0211	84	86	4,920	4,920	3,000	120	1,920	1,000	---	1,200
FAMILY PLANNING	* G 612-0226	87	87	---	3,000	---	---	---	---	3,000	---

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MALAWI

PLANNED PROGRAM SUMMARY SHEET

Title MCH/Child Spacing	Funding Source DA	AG, RD & N	Health 3,000	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 6,000 Life of Project Funding 6,000
Number 612-0226 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population 3,000	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1987 Estimated Completion Date of Project FY 1992

Purpose: To strengthen existing health and family planning agencies, thereby increasing the quality and quantity of services in order to improve Malawian family health.

Project Description: A.I.D. will provide financing for: (1) contraceptives and their distribution through government, voluntary agencies and retail channels; (2) support of local costs of equipment, supplies and training; (3) short term technical assistance for (a) operations research focused on services and commodities management, (b) training for non-government services delivery personnel, (c) implementation of primary health care drug policies, and (d) national health and family planning policy formulation and implementation. The most serious constraint to expanding health services is the rate at which additional donor resources can be absorbed. Malawi, however, has a good record of expanding health servies and rural water availability. Infant/child mortality rates, still high, are steadily declining. It has an excellent reputation for selection and utilization of external health resources. Improving health conditions is hampered by the fact that almost all tropical diseases and their vectors exist and thrive in Malawi. Due to its concern about the health consequences of excess fertility the GOM vigorously promotes child spacing for child and maternal health. Government is reviewing a World Bank report on the population sector and, along with its own health sector ten-year plan, is formulating policies and strategies in family planning.

Relationship to A.I.D. Strategy: The project complements A.I.D.'s principal focus on agricultural development. It addresses the demand side of the economic equation. Malawi's population density is among the highest in Africa; 48 percent of its total land area is suitable for agriculture, but at present human fertility rates, it would have an arable lands deficit of 13 percent in only thirty more years. In a country which plans on an agricultural-based economy, such excess population is disastrous.

Host Country and Other Donors: The GOM and a non-governmental agency, Private Hospital Association of Malawi, provide almost equal amount of financing for health sector activties. Both rely heavily on external resources. The WHO lists 26 external donors to the Malawi health sector. Those expressing the most interest in child-spacing (family planning and directly related health activities) are U.S.A.I.D., World Bank, UNICEF and West Germany.

Beneficiaries: About 2.5 million Malawian mothers and children will benefit directly from improvements in the quantity and quality of health services. Benefits derived from disease control will subsequently benefit the entire population.

Major Outputs: Improved health care services, increased research on child-spacing services, improved capability to formulate and implement national policy on family planning and primary health care.

A.I.D.-Financed Inputs	Life of Project ($000)
Grants to GOM to help defray costs for services, training, equipment and supplies	6,000

U.S. FINANCING (in thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,	--	--	--
Estimated Fiscal Year	--	--	
Estimated Through September 30,	--	--	--
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	6,000	--	6,000

Principal Contractors or Agencies

N/A

AID 370-7 (11-85)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: MALAWI

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					10,920	13,920	9,000	4,070	1,920	2,350	3,000	1,800
GRANTS					10,920	13,920	9,000	4,070	1,920	2,350	3,000	1,800
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
MALAWI POLYTECHNIC INSTITUTE	G	612-0201	80	83	8,314	8,314	8,314	2,515	---	3,615	---	1,520
TOTAL FOR ACCOUNT					8,314	8,314	8,314	2,515	---	3,615	---	1,520
GRANTS					8,314	8,314	8,314	2,515	---	3,615	---	1,520
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
COMMERCIAL TRANSPORTATION	G	612-0218	84	86	5,000	5,000	4,700	156	300	1,200	---	2,200
TOTAL FOR ACCOUNT					5,000	5,000	4,700	156	300	1,200	---	2,200
GRANTS					5,000	5,000	4,700	156	300	1,200	---	2,200
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
AGRICULTURAL SECTOR GRANT	G	612-0225	85	85	15,000	15,000	15,000	---	---	4,500	---	4,800
TOTAL FOR ACCOUNT					15,000	15,000	15,000	---	---	4,500	---	4,800
GRANTS					15,000	15,000	15,000	---	---	4,500	---	4,800
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					75,452	82,452	59,997	16,907	9,200	15,873	9,220	17,319
GRANTS					75,452	82,452	59,997	16,907	9,200	15,873	9,220	17,319
LOANS					---	---	---	---	---	---	---	---

---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

MALI

```
COUNTRY:  (688) MALI                              FY 87 CP ECONOMIC AND SOCIAL DATA

-------------
*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      7,721

PER CAPITA GNP........ . (DOLLARS,1983)        160

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.2%

ANNUAL RATE OF INFLATION (1973-83) 10.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 46.1  MALE 44.5  FEMALE 47.8
                      (1970)   TOTAL 40.2  MALE 39.3  FEMALE 41.0

ADULT LITERACY RATE  (1976)   TOTAL    9%  MALE   14%  FEMALE   6%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)  -4.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    46%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        22


MAJOR CROP(S)
  SUBSISTENCE: RICE ,MILLET ,SORGHUM                  ARABLE LAND  YEAR
  CASH: COTTON .. ..                                       25%    (1984)
                                                           10%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,LIVESTOCK ..

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1976)    87%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1979)        340 (80)         582 (81)         533
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1979)        423 (80)         731 (81)         520
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1979)        -83 (80)        -149 (81)          13
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 10.6% (81) 12.2% (82)  8.4%
  AS % OF GNP................. (1980)  2.9% (81)  2.8% (82)  2.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)            (1982)    17 (83)    16 (84)    27
  EQUIVALENT TO  0.6 MONTHS OF IMPORTS (1983)
```

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----------------
*FOREIGN TRADE*
----------------
MAJOR EXPORTS(1983)LIVESTOCK      ,PEANUTS        ,DRIED FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    1  (1983)    1  (1984)    1
   AS % OF TOTAL EXPORTS (1981)    1% (1982)    1% (1983)   0%

MAJOR IMPORTS(1983)TEXTILES       ,VEHICLES       ,PETROLEUM PRODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    9  (1983)   11  (1984)   17
   AS % OF TOTAL IMPORTS (1981)    2% (1982)    4% (1983)   5%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -115(82)    -87(83)   -68

TRADING PARTNERS: FRANCE ,IVORY COAST ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    89.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................. (1983)    13
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   7.6%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   2.1% (1978)   2.2% (1985)  2.3%

POPULATION IN URBAN AREAS............(1970)    15%   (1985)   21%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)     49

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 46.1% (15-64YRS) 50.4% (65+ YRS)  3.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 173

PEOPLE PER PHYSICIAN................ (1980) 22,130

MAJOR CAUSES OF
DISEASE (1980) MALARIA          ,INFLUENZA          ,UNKNOWN AILMENTS
DEATH.. (1979) ACUTE RESP. INFE,MALARIA             ,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1982)    74%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)   6%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1979)  TOTAL  26.6   MALE  34.5    FEMALE  19.8
SECONDARY....... (1975)  TOTAL   7.1   MALE  10.6    FEMALE   4.8
POST SECONDARY.. (1979)  TOTAL   0.8   MALE   1.5    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      2.9%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MALI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	17.3	15.9	11.9	15.4	24.3	212.9	1.6	211.3
Loans	-	-	-	-	-	6.8	1.6	5.2
Grants	17.3	15.9	11.9	15.4	24.3	206.1	-	206.1
a. **A.I.D. and Predecessor Agencies**	15.5	14.5	9.6	9.9	11.6	135.7	1.4	134.3
Loans	-	-	-	-	-	6.4	1.4	5.0
Grants	15.5	14.5	9.6	9.9	11.6	129.3	-	129.3
(Economic Support Fund)	-	-	-	-	-	3.5		
b. **Food for Peace (PL 480)**	0.6	-	0.3	4.3	11.1	65.8	0.2	65.6
Loans	-	-	-	-	-	0.4	0.2	0.2
Grants	0.6	-	0.3	4.3	11.1	65.4	-	65.4
Title I - Total Sales Agreements	-	-	-	-	-	0.4	0.2	0.2
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	0.4	0.2	0.2
Title II - Total Grants	0.6	-	0.3	4.3	11.1	65.4	-	65.4
Emerg. Relief, Econ. Develop. & World Food Program	0.6	-	0.3	4.3	10.3	64.4	-	64.4
Voluntary Relief Agencies	-	-	-	-	0.8	1.0	-	1.0
c. **Other Economic Assistance**	1.2	1.4	1.5	1.2	1.6	11.4	-	11.4
Loans	-	-	-	-	-	-	-	-
Grants	1.2	1.4	1.5	1.2	1.6	11.4	-	11.4
Peace Corps	1.2	1.4	1.5	1.2	1.6	11.4	-	11.4
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	0.1	0.1	0.1	0.1	0.1	3.7	*	3.7
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.1	0.1	0.1	3.7	-	3.7
a. MAP Grants	-	-	-	-	-	1.9	-	1.9
b. Credit Financing - FMS	-	-	-	-	-	*	*	*
c. Military Assistance Service-Funded (MASF) Grants	0.1	0.1	0.1	0.1	0.1	1.6	-	1.6
d. Transfers from Excess Stocks	-	-	-	-	-	0.2	-	0.2
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	17.4	16.0	12.0	15.5	24.4	216.6	1.6	215.0
Loans	-	-	-	-	-	6.8	1.6	5.2
Grants	17.4	16.0	12.0	15.5	24.4	209.8	-	209.8
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. **ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL........	42.9	86.1	57.3	703.5
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	3.2
IDA	34.4	70.6	19.5	348.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	1.4	21.5	37.8	145.9
UNDP	7.1	4.0	0.0	60.9
OTHER-UN	0.0	0.0	0.0	19.0
EEC	0.0	0.0	0.0	126.1

B. **BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

1. **D.A.C. COUNTRIES (Gross Disbursements)**

	CY 1982	CY 1983	CY 1978-83
United States	13.0	15.0	98.0
France	28.4	27.9	231.5
Germany,Fed. Rep.	28.9	17.1	221.2
Canada	9.4	7.6	55.1
Netherlands	3.6	8.0	44.3
Other	13.1	19.6	74.6
Total	96.4	95.2	724.7

2. **O.P.E.C. COUNTRIES (Gross Disbursements)**

CY 1982	CY 1983	CY 1978-83
24.9	N.A.	66.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	20	-	135
Eastern Europe	-	-	20
Total	-		155

MALI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other a/
1985								
Loans	--	--	--	--	--	--	--	--
Grants	28,458	--	--	--	--	--	18,000	10,458
Total	28,458	--	--	--	--	--	18,000	10,458
1986								
Loans	--	--	--	--	--	--	--	--
Grants	9,000	--	--	--	--	--	--	9,000
Total	9,000	--	--	--	--	--	--	9,000
1987								
Loans	--	--	--	--	--	--	--	--
Grants	10,000	--	--	--	--	--	--	10,000
Total	10,000	--	--	--	--	--	--	10,000

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- Reinforcement of crop production in Haute Vallee area - $3 million.
- Strengthening the livestock ($2 million) and forestry ($1.96 million). sub-sectors.
- Support for applied agricultural research - $2 million.
- Assistance to maternal child health and family planning - $1 million.
- Continuation of the Cereals Marketing Restructuring Project (P.L. 480).

MALI

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	--	--	--
Grants	10,070	22,869	17,488
Total AID	10,070	22,869	17,488
P.L. 480 **			
Title I	--	--	--
(of which Title III is)	(--)	(--)	(--)
Title II	16,181	5,078	1,400
Total P.L. 480	16,181	5,078	1,400
Total AID and P.L. 480	26,251	22,947	18,888

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	--	--	--	--	--	--
Rice	--	--	--	--	--	--
Feedgrains	--	--	--	--	--	--
Vegoil	--	--	--	--	--	--
Non-food	--	--	--	--	--	--
Title I Total *(of which Title III is)*	--	--	--	--	--	--
Title II 1/						
Voluntary Agencies	5,439	1,713	280	59	--	--
Government - to - Government	65,300	14,468	24,590	5,019	5,000	1,400
Title II Total	70,739	16,181	24,870	5,078	5,000	1,400
Total P.L. 480	70,739	16,181	24,870	5,078	5,000	1,400

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

MALI

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	18	18	18
PASA[b]	7	6	5
TOTAL	25	24	23

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
U.S. PARTICIPANTS IN TRAINING[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	48	6	54	32	12	44	86	13	99
Regional[e]	15	2	17	17	8	25	44	12	56
TOTAL	63	8	71	49	20	69	130	25	155

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
THIRD COUNTRY PARTICIPANTS IN TRAINING[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	--	2	2	6	17	23	8	21	29
Regional[e]	--	3	3	2	10	12	4	18	22
TOTAL	--	5	5	8	27	35	12	39	51

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

MALI

Development Overview

Mali is one of the ten poorest countries in the world in terms of its per capita GNP ($190), but it has more potential for food self-sufficiency than any other Sahelian nation. It has the advantages of possessing considerable arable land in the south where rainfall is less erratic. Its central rangelands are conducive to livestock production and there is an enormous irrigation potential along the Niger River. Unfortunately, other natural and geographic features create severe impediments to growth. Periodic droughts afflict the less reliable rainfall zones, where large numbers of people live. Its landlocked position means very high transportation costs for both imports and exports. Other constraints affecting the over six million rural Malians are poor nutrition, low literacy, a high population growth rate, and marginal access to basic services.

Government of Mali (GRM) policies have in the past been a major constraint to Mali's development. They have kept farm-gate prices low, over-controlled grain markets, restricted the role of the private sector, and inflated public payrolls. Management and planning capacities of rural development organizations and state enterprises have also been weak. In addition, there has been a lack of cost-effective dryland and irrigation technologies available to farmers, a low level of investment in agricultural research, and a shortage of agricultural specialists to manage projects and conduct research.

Fortunately, many of these policies are now being vigorously addressed by the GRM in collaboration with a number of donors. Mali is now in the forefront of African countries undertaking the reforms necessary to stimulate national development. Despite the drought, the GRM has continued to implement its program of economic restructuring. A.I.D.'s $18.0 million FY 1985 African Economic Policy Reform Program (EPRP) should provide added incentive for the GRM's policy of public sector retrenchment, reduction of public payrolls, and administrative improvements. The GRM has also begun to liberalize rice marketing over a three-year period as agreed upon under the P.L. 480 Title II Section 206 program. A third stand-by agreement with the IMF was approved in November under which the GRM plans to raise official prices for certain commodities. Lastly, the GRM has continued to give encouragement to the private sector to be the catalyst in providing employment and developmental opportunities.

While it is important not to understate the fundamental resource, policy, managerial and technological obstacles hampering Mali's development, the past two years have demonstrated that the GRM is facing the important issues, marshalling its resources better, and making many hard economic decisions.

U.S. Interests and Objectives

The United States has a continuing interest in Mali as an independent, politically and economically-viable country. USG assistance in Mali is essentially developmental and humanitarian. In the past year, the majority of funds have been provided to alleviate the human suffering resulting from the drought. At the same time, the medium to long-term projects continue to address the underlying obstacles to food security, economic reform and self-sustaining development.

A.I.D. Development Strategy

A.I.D.'s long-term development objective in Mali is to assist in increasing rural productivity and household incomes. To this end, A.I.D. has reoriented its program strategy in the last three years to concentrate its resources on the agricultural sector in several ecological zones with good production potential. To further reinforce the above objective, A.I.D. is concentrating on (1) accelerating economic policy reforms affecting rural producers, the private sector, and the efficiency of Mali's public institutions; (2) enhancing food security through agricultural technology development, institutional development, and family planning programs to moderate the demand for food and services; and (3) improving project management and development planning through extensive training programs. An important additional element of the A.I.D. program is the provision of both drought emergency food aid as well as longer-term food for development.

A.I.D. Program (FYs 1985 - 1986)

In order to concentrate on the most serious development problems, nine older bilateral projects in diverse sectors have been phased out, and two more will terminate in 1986. Furthermore, the geographical locations of projects have been narrowed to two major regions rather than five. These changes have improved project management.

Policy Reform: The U.S. Mission has played a prominent role within the multi-donor group in working with the GRM to examine and develop practical programs of economic restructuring. There is significant consensus among donors, international financial institutions, and the GRM about what is to be done. Policy dialogue revolves around the question of how to execute the necessary changes.

The FY 1985 African Economic Policy Reform Program grant ($18.0 million) should result in (1) significant raising of incentives for private sector investment and reduction of disincentives to be reflected in changes in various laws, regulations, and tax rates; (2) a restructuring of the budget which will shift more funds to operating and development expenses, while public employment expenditures will decline relatively; (3) improvement in tax and customs administration; and (4) divesting and disbanding of some state enterprises which have burdened the Malian financial system.

The three year Cereals Market Restructuring Project, in the form of a P.L. 480 Title II Section 206 program has helped the GRM to move toward its commitment to liberalize marketing of rice by 1986. This will provide better incentives to farmers to produce needed food for Mali.

A.I.D.'s policy dialogue with the GRM continues in regard to the reform of parastatal rural development operations within the context of the Operation Haute Vallee (688-0210) and the Livestock Sector II (688-0218) projects. These discussions are aimed at minimizing government involvement in the market place and making present operations more efficient and cost-effective.

Food Security: In FY 1985 the policy reforms noted above have been put in motion, an older generation of less effective projects have been phased-out, and the lessons of past evaluations and audits have been applied in the management of current agricultural production efforts. In the Operation Haute Vallee and Livestock Sector projects, these changes have resulted in revision of agricultural credit system policies, 95 percent of crop credit recuperation over the past two years, publication of operations manuals, establishment of computer-based record systems, improvements of veterinary extension systems, increases in technical and managerial training, organization of farmer associations, and implementation of user fees where appropriate. Follow-up audits have verified the achievements in improved project and financial management.

At the same time, the Agricultural Officer Training project, being implemented by the Title XII Southeast Consortium for International Development, has continued to demonstrate sound results, and has been extended for two years in order to complete a program of stengthening the agricultural curriculum.

To ensure that on-station research is responding to practical farming conditions, A.I.D. initiated a Farming Systems Research and Extension Project (688-0232) in FY 1985. This project will attempt to extend the crucial research-extension-farmer-training linkages so important to the advancement of agriculture and will contribute to institutional development of the agricultural research system.

In FY 1986, a Forestry Sector Development Project (688-0235) will be undertaken to deal with the basic problem of desertification and ecological balance in the Sahel -- as well as to explore ways in which forestry technology can enhance farmer productivity and incomes. The effort will be aimed at strengthening the national forestry service's policy reforms and planning capabilities, supporting on-farm agro-forestry work, and expanding research into promising indigenous and exotic tree species. Complementing this effort, the VITA Woodstove Commercialization Project (688-0237) seeks to establish a self-sustaining private sector-based system for producing and distributing durable, efficient, and affordable cookstoves in Bamako.

An important ingredient in achieving food security in Mali is the contribution that family planning can make to reducing the demand side of the food-population equation. Thus, an Integrated Family Health Services project is planned for FY 1986. This project will attempt to improve the health of women and children, extend Oral Rehydration Therapy (ORT), as well as expand family-planning services. It will seek to lower Mali's infant and maternal mortality as well as fertility rates.

In 1986, the Mission will begin more detailed studies that could lead to U.S. investments in irrigated agriculture. Both rainfed and irrigated-agricultural investments will probably be necessary to help Mali endure periodic droughts and achieve food security.

Management and Planning Improvement: A.I.D. is assisting Mali in developing its human resources and strengthening its institutional capacity to manage development resources. Under the Development Leadership Training Project (688-0221), A.I.D. is funding 15 promising mid-level civil servants annually for U.S. Masters degrees in different aspects of business, public administration and development planning.

A.I.D. is also engaged in the improvement of the joint U.S./Malian management of the A.I.D. assistance program in several other ways. In the past year, management improvements have occurred within projects, as in the aforementioned cases of the Operation Haute Vallee and Livestock Sector projects. In addition, in-service training programs by the University of Pittsburgh and the Sahel Regional Financial Management project have contributed markedly to management consciousness and financial accounting improvements.

Drought Relief: To respond to the drought relief effort, the USG contributed over 70,000 metric tons (MT) of food through the P.L. 480 Title II program. In FY 1985, approximately 15,000 MT of grain were distributed through direct grants to PVOs. In addition the distribution of most free government-to-government food was handled by PVOs and was in almost all cases timely, accurately targeted and well administered. Within the U.S. Mission, an Embassy and USAID Drought Relief Unit was established to cope with relief operations. Coordination with the GRM, other donors and the PVO community during this crisis has reflected a high level of cooperation and close collaboration.

In FY 1986, free food aid distributions will be continued at reduced levels. PVOs are expected to assist the most seriously-affected communities through several discrete rehabilitation efforts.

Requested Year Program (FY 1987)

In conformance with the strategic goal of food security for Mali, A.I.D. plans to initiate a continuation of the Operation Haute Vallee (Phase II) crop production effort. A recent evaluation of the project has recommended a number of reforms required for the investment to be fully effective.

In FY 1987 A.I.D. will fund the following projects: $3,000,000 for Operation Haute Vallee II, $2,000,000 for Livestock Section II (688-0218), $2,000,000 for Semi-Arid Tropics Research II (688-0226), $1,000,000 for Integrated Family Health Services (688-0227), $40,000 for the Peace Corps Small Project Assistance, and $1,960,000 for Forestry Sector Development. The non-project reform efforts, Cereals Market Restructuring, and Economic Policy Reform Program will be continuing with food aid provided through P.L. 480 Title II (Section 206).

MISSION DIRECTOR: Eugene Chiavaroli

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MALI

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SAHEL DEVELOPMENT PROGRAM													
AGRICULTURAL OFFICERS TRAINING		G	688-0207	77	85	4,930	4,930	4,930	2,729	---	1,603	---	598
RURAL HEALTH SERVICES DEVELOPMENT		G	688-0208	77	81	2,705	2,705	2,705	2,435	---	54	---	216
OPERATION HAUTE VALLEE		G	688-0210	78	86	18,395	18,313	16,913	14,362	1,482	3,222	---	831
RENEWABLE ENERGY		G	688-0217	78	83	4,517	4,517	4,517	4,199	---	229	---	89
LIVESTOCK SECTOR II		G	688-0218	82	91	18,220	30,000	15,665	7,021	2,555	5,404	2,000	2,030
DEVELOPMENT LEADERSHIP TRAINING		G	688-0221	81	84	4,566	4,566	4,566	1,797	---	950	---	915
TRAINING CENTER FOR RURAL WOMEN		G	688-0225	80	80	500	500	500	303	---	197	---	---
SEMI-ARID TROPICS RESEARCH II		G	688-0226	81	88	3,750	7,250	3,750	3,099	2,000	651	2,000	1,775
INTEGRATED FAMILY HEALTH SERVICES		G	688-0227	86	89	---	10,000	---	---	1,200	215	1,000	600
FARMING SYSTEMS R & D		G	688-0232	85	92	19,493	19,493	6,560	---	---	325	---	1,732
OPERATION HAUTE VALLE II	*	G	688-0233	87	91	---	10,000	---	---	---	---	3,000	831
SMALL PROJECT ASSISTANCE (PC)		G	688-0234	83	87	200	200	120	79	40	40	40	81
FORESTRY DEVELOPMENT		G	688-0235	86	91	---	15,500	---	---	1,723	200	1,960	1,650
VITA WOODSTOVES (PVO)		G	688-0237	85	85	858	858	858	427	---	204	---	64
VILLAGE REFORESTATION		G	688-0937	83	83	160	160	160	9	---	75	---	76
TOTAL FOR ACCOUNT						78,294	128,992	61,244	36,460	9,000	13,869	10,000	11,488
GRANTS						78,294	128,992	61,244	36,460	9,000	13,869	10,000	11,488
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
MALI ECON POL REFORM PROG		G	688-0240	85	85	18,000	18,000	18,000	---	---	9,000	---	6,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MALI

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT						18,000	18,000	18,000	---	---	9,000	---	6,000
GRANTS						18,000	18,000	18,000	---	---	9,000	---	6,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						96,294	146,992	79,244	36,440	9,000	22,369	10,000	17,488
GRANTS						96,294	146,992	79,244	36,440	9,000	22,369	10,000	17,488
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MALI

PLANNED PROGRAM SUMMARY SHEET

Title OPERATION HAUTE VALLEE II	Funding Source SDP	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 3,000		Life of Project Funding 10,000	
Number 688-0233 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991	Estimated Completion Date of Project FY 1992

Project Purpose: To increase agricultural production and productivity of farmers in the Operation Haute Vallee (OHV) zone.

Project Description: The project evolves out of the eight year OHV I project, under which the Mission has assisted OHV to provide various agricultural sector services to farmers including on-farm research, extension of management support to OHV to improve agricultural planning, input supply, credit and cash crop marketing, functional literacy training and the construction of 398 kms of rural roads.

A recent external evaluation highlighted the areas to be dealt with in the Phase II effort. As a result, the new project will be directed at a phased transformation of the role and function of OHV into an extension and planning agency. The project will address major policy considerations regarding the respective roles of the public and private sectors, and advance technology transfer. The policy is to shift the provision of agricultural sector services to farmer cooperatives and other appropriate institutions as they are prepared to assume them. The project will provide for a gradual expansion of the private sector and agricultural cooperatives in the provision of agricultural input-output [illegible]ting and credit services.

[illegible]mber of in-depth studies are being conducted in the Phase I [illegible]ject to generate the information needed to make decisions on the different emphases, extent and phasing of policy reform for OHV. These include an analysis of the private sector in OHV, a financial viability and sensitivity analysis of OHV and its component activities, a social/institutional profile to determine the best mix of organizations to accomplish project tasks, a technical analysis to review and identify specic technologies and interventions, a land use inventory and feasibility study for the rehabilitation and development of small scale irrigation works and a cost benefit analysis of roads built or proposed in OHV.

Relationship to CDSS - A.I.D. Country Strategy: This project is central to both the policy reform and food security components of our development strategy. The current CDSS supports increasing agricultural production through policy and institutional reform in the public and private sector. The design of the OHV II project provides an opportunity to review the rural parastatal reform issue with the GRM. In addition, the CDSS supports improvements in the management and planning for agricultural development and strengthening of the research, extension, farming network. The project complements current USAID efforts in the strengthening of on-station, on-farm and farming systems research. The ICRISAT, SAFGRAD and FSR/E projects are carrying out major research and pre-extension activities in the OHV zone.

Host Country and other Donors: The GRM is implementing a major economic restructuring of their economy. Many Malian officials recognize the problems affecting the operation of rural parastatals and are seeking external assistance in resolving them.

Beneficiaries: The target group to be served by the project include an estimated 40,000 farm families in the OHV zone.

Major Outputs: Reorganization and development of the OHV extension and planning services; reform of OHV's role and structure by gradually privatizing input supply and produce marketing; transfer of the provision of small farmer credit to private or other appropriate banking institutions; assistance to farmers in formation and development of agricultural cooperatives and construction of 400 kms of farm to market roads.

A.I.D.-Financed Inputs	Life of Project
Technical assistance, training, commodities and construction	$10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	--	--	--
Estimated Fiscal Year 1985	--	--	
Estimated Through September 30, 1986	--	--	--
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,000	7,000	10,000

Principal Contractors or Agencies

To be selected.

MAURITANIA

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                                                  FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (682) MAURITANIA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)       1,656

PER CAPITA GNP.......... (DOLLARS,1983)         480

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.3%

ANNUAL RATE OF INFLATION (1973-83)  7.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 47.0  MALE 46.0  FEMALE 47.9
                      (1970)   TOTAL 40.3  MALE 41.5  FEMALE 43.4

ADULT LITERACY RATE  (1976)   TOTAL  17%  MALE   .%  FEMALE   .%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                                (    -    .).    . %

AGRICULTURAL PRODUCTION AS % OF GDP............(1983)    30%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)          4


MAJOR CROP(S)                                 ARABLE LAND  YEAR
  SUBSISTENCE: MILLET ,SORGHUM ,RICE                 53%   (1984)
  CASH:  . .. ..                                      .%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CATTLE .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)      .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1977)        206 (78)         212 (79)         211
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1977)        243 (78)         231 (79)         242
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1977)        -37 (78)         -19 (79)         -32
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)    . % (78) 33.3% (79) 29.1%
  AS % OF GNP................. (    .)    . % (78) 15.2% (79) 11.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)   143 (83)   110 (84)    81
  EQUIVALENT TO  2.4 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)IRON ORE       ,PROCESSED FISH ,GUM ARABC/GYPSU

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    1  (1984)    1
   AS % OF TOTAL EXPORTS (1981)    0% (1982)    0% (1983)   0%

MAJOR IMPORTS(1983)CONSUMERS GOODS,PETROL PROD    ,CAPITAL GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   29  (1983)   30  (1984)   28
   AS % OF TOTAL IMPORTS (1981)    9% (1982)    7% (1983)   8%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -116(82)   -187(83)   -63

TRADING PARTNERS: FRANCE ,SPAIN ,ITALY

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)      237%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    37
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  11.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.7% (1978)   1.9% (1985)  2.1%

POPULATION IN URBAN AREAS............(1970)    13%   (1985)   31%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)    47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)   1.0%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 43.4% (15-64YRS) 53.2% (65+ YRS)  3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 136

PEOPLE PER PHYSICIAN................ (1977) 14,505

MAJOR CAUSES OF
DISEASE (1977) PARAS'''C DISEAS,DYSENTERY        ,MALARIA
DEATH.. (    .) UNKNOW..  ILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    82%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  84%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL  36.3   MALE  46.3    FEMALE  26.1
SECONDARY....... (1980)  TOTAL  10.7   MALE  17.0    FEMALE   4.4
POST SECONDARY.. (1977)  TOTAL   0.3   MALE   0.6    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION............(1982)        . %
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MAURITANIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	11.6	15.8	11.2	12.5	13.9	114.4	2.2	112.2
Loans	-	-	-	-	-	1.4	2.2	0.8-
Grants	11.6	15.8	11.2	12.5	13.9	113.0	-	113.0
a. A.I.D. and Predecessor Agencies	2.7	8.5	6.3	5.1	4.9	48.3	2.2	46.1
Loans	-	-	-	-	-	1.4	2.2	0.8-
Grants	2.7	8.5	6.3	5.1	4.9	46.9	-	46.9
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	8.0	6.2	3.4	6.0	7.4	57.9	-	57.9
Loans	-	-	-	-	-	-	-	-
Grants	8.0	6.2	3.4	6.0	7.4	57.9	-	57.9
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	8.0	6.2	3.4	6.0	7.4	57.9	-	57.9
Emerg. Relief, Econ. Develop. & World Food Program	6.7	3.4	1.7	4.5	5.5	46.3	-	46.3
Voluntary Relief Agencies	1.3	2.8	1.7	1.5	1.9	11.6	-	11.6
c. Other Economic Assistance	0.9	1.1	1.5	1.4	1.6	8.2	-	8.2
Loans	-	-	-	-	-	-	-	-
Grants	0.9	1.1	1.5	1.4	1.6	8.2	-	8.2
Peace Corps	0.9	1.1	1.5	1.4	1.6	8.2	-	8.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	*	*	0.1	0.1	0.2	-	0.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	*	*	0.1	0.1	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	*	*	0.1	0.1	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	11.6	15.8	11.2	12.6	14.0	114.6	2.2	112.4
Loans	-	-	-	-	-	1.4	2.2	0.8-
Grants	11.6	15.8	11.2	12.6	14.0	113.2	-	113.2
Other U.S. Government Loans and Grants	-	-	-	-	-	5.9	2.4	3.5
a. Export-Import Bank Loans	-	-	-	-	-	5.9	2.4	3.5
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	8.6	9.8	31.7	423.5
IBRD	0.0	0.0	0.0	126.0
IFC	0.0	0.0	1.2	19.1
IDA	4.6	8.1	29.2	116.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	2.7	0.0	1.3	38.4
UNDP	1.3	1.7	0.0	21.0
OTHER-UN	0.0	0.0	0.0	5.6
EEC	0.0	0.0	0.0	95.3

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	13.0	19.0	77.0
France	22.9	22.8	133.0
Germany, Fed. Rep.	13.7	16.8	75.9
Japan	9.0	3.6	15.9
Netherlands	1.0	2.8	15.5
Other	3.9	6.9	21.8
Total	63.5	71.9	339.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
70.4	N.A.	474.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	2	Negl	10
Eastern Europe	Negl	Negl	10
Total	2	-	20

MAURITANIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other a/
1985								
Loans	-	-	-	-	-	-	-	-
Grants	9,362	-	-	-	-	-	-	9,362
Total	9,362	-	-	-	-	-	-	9,362
1986								
Loans	-	-	-	-	-	-	-	-
Grants	3,000	-	-	-	-	-	-	3,000
Total	3,000	-	-	-	-	-	-	3,000
1987								
Loans	-	-	-	-	-	-	-	-
Grants	3,000	-	-	-	-	-	-	3,000
Total	3,000	-	-	-	-	-	-	3,000

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- $1.96 million to initiate an agricultural development program in the Senegal River Basin.
- $1.00 million to continue training in support of food security activities.
- $4.37 million in P.L. 480 Title II assistance to support maternal and infant nutrition care program and agricultural policy reform aimed at liberalizing cereals marketing activities via Title II Section 206 Program.

MAURITANIA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	2,778	5,245	7,176
Total AID	2,778	5,245	7,176
P.L. 480 **			
Title I			
(of which Title III is)	(–)	(–)	(–)
Title II	6,902	2,034	4,370
Total P.L. 480	6,902	2,034	4,370
Total AID and P.L. 480	9,680	7,279	11,546

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	9,413	2,420	7,971	2,034	7,225	1,910
Government - to - Government	30,000	4,482	–	–	20,000	2,460
Title II Total	39,413	6,902	7,971	2,034	27,225	4,370
Total P.L. 480	39,413	6,902	7,971	2,034	27,225	4,370

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

MAURITANIA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	10	8	8
PASA [b]	–	–	–
TOTAL	10	8	8

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
U.S. PARTICIPANTS IN TRAINING [a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	17	–	17	26	–	26	34	–	34
Regional [e]	20	9	29	25	8	33	26	8	34
TOTAL	37	9	46	51	8	59	60	8	68

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
THIRD COUNTRY PARTICIPANTS IN TRAINING [a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	1	–	1	15	–	15	31	–	31
Regional [e]	2	3	5	–	2	2	–	2	2
TOTAL	3	3	6	15	2	17	31	2	33

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

MAURITANIA

Development Overview

Although Mauritania experienced moderate rainfall during FY 1985, depredations by birds and insects have significantly compromised the crop harvest. Domestic production is now expected to satisfy only thirty percent of total food requirements. The debt service burden has reached an alarming 35 percent of the government's annual exports, while the low world mineral prices continued to limit the value of Mauritania's mining assets. The prolonged drought has steadily decimated the livestock sector. Though coastal fisheries have had an increasingly positive impact on GDP, it is a sector that remains largely unexploited.

The recurrent droughts have led to considerable social and economic change, notably increasing migration to the major urban centers such as Nouakchott and Nouadhibou and to the south of the country. Nouakchott, initially planned for 20,000 people, now has close to 350,000 inhabitants, and its 14 percent annual population growth rate is one of the highest in sub-Saharan Africa.

In spite of continuing economic difficulties, during calendar year 1985 the Government of the Islamic Republic of Mauritania (GIRM) pursued the following significant policy reforms: devalued its currency; increased producer and consumer prices for grains; instituted a parastatal reform program; and rationalized its public sector investment strategy. These reforms fulfilled the requirements of the International Monetary Fund for a stand-by arrangement and, subsequently led to a partial rescheduling of the Government's debt. The GIRM, in tandem with the International Bank for Reconstruction and Development, undertook a comprehensive review of the country's economic situation and prepared an economic and financial recovery plan (1985 - 1988). The first Mauritania consultative group meeting was held in November 1985 to coordinate donor support for this plan.

U.S. Interests and Objectives

Principal U.S. objectives in Mauritania are to support the existence of a stable, moderate regime which will contribute to regional order, be supportive of U.S. objectives, respect human rights, and sustain the country's modest growth potential. The United States also has a humanitarian interest in providing food to a country that has been continually beset by famine and is consequently unable to satisfy the most fundamental human needs over the medium term.

A.I.D. Development Strategy

The A.I.D. strategy addresses two priorities: the provision of short-term emergency assistance to meet food and health requirements; and the improvement of food security by increasing the capacity to produce, transport, store and market food. This strategy is made operational through two programs: a relief program and a development assistance program. Based on an annual assessment of the impact of the drought, the relief program has made food available and provided funds to finance the costs related to ocean freight, inland handling and transportation, and management and distribution of the food. The development assistance program consists of projects addressing problems in rural road maintenance, rural health care, training, agricultural production research, and policy reform in the agriculture sector. A.I.D.'s program, subject to further analyses, will increasingly focus on developing the Dirol Plain region of the Senegal River Basin in order to enhance the food security situation of the country.

A.I.D. Program (FYs 1985 - 1986)

In FY 1985, Mauritania experienced a cereals deficit estimated at 120,000 MT. The U.S.G. provided over 50,000 MT in emergency and regular program commodities (e.g., wheat, powdered milk and butter oil), provided funds to purchase water trucks and spare parts (for trucks and well-drilling equipment), and initiated a grant to a U.S. private voluntary organization, CARE, to manage the in-country distribution of relief commodities.

In keeping with the program's emphasis on the Senegal River Basin, the Dirol Plain Operations Research Project (682-0934) is identifying improved water management and agricultural techniques for application in the Dirol Plain area of the Basin. It is being implemented by a U.S. private voluntary organization, Partnership for Productivity, and is expected to develop information and data needed to design a new project, the Mauritania River Valley Development Project (682-0237). The OMVS Agricultural Research II Project (682-0957) and the Rural Roads Improvement Project (682-0214) are directly reinforcing and complementing the GIRM's efforts to fully develop the Dirol Plain.

An evaluation of the initial multi-year (fiscal years 1983-1985) PL 480 Title II Section 206 program concluded that the 206 program strengthened the ability of the Food Security Commission (CSA) of GIRM to handle, transport, store and distribute food. It also confirmed weaknesses in the CSA's financial management systems. As a result, technical assistance is being provided to CSA through the Sahel Regional Financial Management Project. A new Section 206 Program, covering the fiscal years 1986-1988, is under design and will emphasize, among other policy reforms, the use of the private sector in food production and marketing activities. It will also increasingly focus local currency generations to support agricultural production activities. Regular Title II food aid and an outreach grant are supporting the maternal and infant nutrition care program being undertaken by the Catholic Relief Services (CRS).

MAURITANIA

The Human Resources Development Project (682-0233) is emphasizing training of technicians and administrators associated with food security with special emphasis on upgrading management skills within the fisheries sector.

In the health sector, the Rural Health Services Project (682-0230) will continue to promote immunization within the primary health care system. A.I.D. assistance will also introduce oral rehydration therapy and family planning techniques.

Requested Year Program (FY 1987)

From the $3,000,000 request, $1,960,000 will fund a new project, Mauritania River Valley Development (682-0237). This project will support the expansion of recessional and/or irrigated agriculture in the Senegal River Basin. The balance of $1,040,000 will fund the continuation of training and small-scale rural development activities.

In addition, a Food for Peace program of $4.37 million is proposed for FY 1987. This will consist of a new multi-year (fiscal years 1986-1988) PL 480 Title II Section 206 Program and a regular food aid program in support of the CRS maternal and infant nutrition care program.

MISSION DIRECTOR: Donald Miller

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: MAURITANIA

PROJECT TITLE	*	L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SAHEL DEVELOPMENT PROGRAM												
RURAL ROADS IMPROVEMENT		G 682-0214	82	85	11,291	11,291	11,291	4,440	---	2,000	---	3,000
RURAL HEALTH SERVICES		G 682-0230	83	83	5,000	5,000	5,000	1,095	---	1,000	---	1,500
SECTION 206, PROGRAM SUPPORT		G 682-0231	83	83	106	106	106	---	---	35	---	35
SMALL PROJECT ASSISTANCE-AID/PC		G 682-0232	83	87	200	200	120	87	40	60	40	41
HUMAN RESOURCES DEVELOPMENT		G 682-0233	84	88	6,000	6,000	3,731	127	1,100	1,400	1,000	1,700
MAURITANIA RIVER VALLEY DEVELOPMENT	*	G 682-0237	87	89	---	5,000	---	---	---	---	1,960	---
DIROL PLAIN OPERATIONS RESEARCH		G 682-0934	85	85	500	500	500	---	---	250	---	250
OMVS AGRICULTURAL RESEARCH II		G 682-0957	84	86	3,820	3,820	1,960	16	1,960	500	---	650
TOTAL FOR ACCOUNT					26,917	31,917	22,708	5,765	3,000	5,245	3,000	7,176
GRANTS					26,917	31,917	22,708	5,765	3,000	5,245	3,000	7,176
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					26,917	31,917	22,708	5,765	3,000	5,245	3,000	7,176
GRANTS					26,917	31,917	22,708	5,765	3,000	5,245	3,000	7,176
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MAURITANIA

PLANNED PROGRAM SUMMARY SHEET

Title River Valley Development	Funding Source SDP	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,960		Life of Project Funding 5,000
Number 682-0237 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989	Estimated Completion Date of Project FY 1991

Purpose: To introduce improved water control technologies that result in increased agricultural production.

Project Description: The project will support a phased agricultural development program for the farmers living in and around the Dirol Plain on the Mauritania side of the Senegal River Basin. The first phase will be oriented toward enhancing recession agriculture. Subsequent phases would encompass a progressive transition to the ultimate goal of developing small irrigated perimeters with full water control.

The objective of enhanced recession agriculture is to ensure the certainty of a minimum number of hectares available for cultivation. Under normal conditions of rainfall and flooding, an estimated 6,000 hectares of the Dirol Plain are available for recession agriculture. With the construction of one or two weirs on the Dirol Creek and the diking of gaps in the ridge that divide the Plain, run off from the creek and retention of excess rainwater could provide twice the amount of hectarage during the dry periods than that which would normally be available without the weirs and diking.

The Dirol Plain has been selected because it has the potential of producing in excess of 12,000 tons of grain annually with only limited change in traditional technology. The Dirol Plain, also, provides an excellent site for developing a model for change from traditional recession agriculture to improved and controlled flood recession agriculture, and finally to irrigated agriculture with full water control.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. strategy has a geographical focus on the Mauritania side of the Senegal River Basin. Implementation of this project is expected to boost domestic food production and, thereby, improve the food security situation in Mauritania.

Host Country and Other Donors: The Mauritania side of the Senegal River Basin is the only area of the country with the capacity for producing significant quantities of food. While this project focuses on the Dirol Plain, various other areas of the Mauritania side of the Senegal River Basin have been allocated for development to specific donors. For example: French assistance is predominant in the delta area; the Dutch and Chinese are active in the lower valley; the Germans and the European community have assisted in developing large irrigated perimeters in the middle valley; and the World Bank is financing small irrigated perimeters throughout the upper valley.

Beneficiaries: The immediate beneficiaries will be approximately 24,000 people residing in the Dirol Plain. Currently, many of the people in the Dirol Plain rely on seasonal employment elsewhere and support from relatives in the cities. Women traditionally produce food crops and earn some income. Increased food production in the Dirol Plain can be expected to provide opportunities for effective employment for relatively large numbers of people both in agriculture and in associated industries and commerce.

Major Outputs: Construction of simple weirs, diking systems, and improved recession agriculture and farm plots.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Personnel, construction, commodities and other costs	5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To Be Selected
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-		
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,960	3,040	5,000	

MAURITIUS

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (642) MAURITIUS

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      1,011

PER CAPITA GNP.......... (DOLLARS,1983)      1,160

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.8%

ANNUAL RATE OF INFLATION (1973-83) 13.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975)   4.5%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 67.4  MALE 65.4  FEMALE 69.4
                     (1970)   TOTAL 62.2  MALE 60.2  FEMALE 64.4

ADULT LITERACY RATE  (1980)   TOTAL  79%  MALE  86%  FEMALE  72%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                                (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    12%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       894


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: VEGETABLES ,POTATOES ..                 3%   (1984)
  CASH: SUGARCANE ,TEA ..                             95%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,TEA ,MOLASSES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,WHEAT ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1972)    28%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1981)       234 (82)        211 (83)        242
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1981)       380 (82)        338 (83)        341
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1981)      -146 (82)       -128 (83)        -99
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1981)  2.0% (82)  0.8% (83)  0.8%
  AS % OF GNP................. (1981)  0.7% (82)  0.3% (83)  0.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982)   42 (83)   21 (84)   26
  EQUIVALENT TO  0.5 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)SUGAR          ,TEXTILES

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   28  (1983)   30  (1984)   46
   AS % OF TOTAL EXPORTS (1982)    8% (1983)    9% (1984)  13%

MAJOR IMPORTS(1983)FOOD           ,PETROLEUM PRODS,CONSUMER GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   24  (1983)   13  (1984)   11
   AS % OF TOTAL IMPORTS (1982)    7% (1983)    4% (1984)   3%

TRADE BALANCE($ MILLIONS, U.S.)(1982)    -30(83)    -16(84)   -36

TRADING PARTNERS: UNITED KINGDOM ,FRANCE ,SOUTH AFRICA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    50.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    84
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  22.6%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.4% (1978)   1.8% (1985)  0.9%

POPULATION IN URBAN AREAS............(1970)    42%   (1985)   57%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    28    (1985)     20

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)  50.6%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 33.0% (15-64YRS) 62.9% (65+ YRS)  4.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  25

PEOPLE PER PHYSICIAN.. ............. (1979)  2,007

MAJOR CAUSES OF
DISEASE (1980) MALARIA          ,SCHISTOSOMIASIS ,GONORRHEA
DEATH.. (1980) HEART DISEASE   ,STROKE           ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   118%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  99%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL   103   MALE   102    FEMALE   103
SECONDARY....... (1979)  TOTAL  58.4   MALE  60.9    FEMALE  55.6
POST SECONDARY.. (1981)  TOTAL   0.7   MALE   1.0    FEMALE   0.4

ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      3.9%
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                                                  FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (656) MOZAMBIQUE

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      13,638

PER CAPITA GNP ......... (DOLLARS,1982)         397

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (  .- .)    %

ANNUAL RATE OF INFLATION (   .- .)   %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION. (   .)     %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 51.7  MALE 50.0  FEMALE 53.5
                      (1970)   TOTAL 41.8  MALE 38.6  FEMALE 41.3

ADULT LITERACY RATE  (1980)   TOTAL  33%  MALE  44%  FEMALE  23%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                            (1975-1984)  -3.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    37%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        27


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,CASSAVA ,SORGHUM                    30%   (1984)
  CASH: CASHEWS IN SHELL ,SUGARCANE ,TEA                 10%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CASHEWS IN SHELL ,TEA ,COTTON

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,CORN ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1970)    73%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (   .)          .( .)          .( .)
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (   .)          .( .)          .( .)
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (   .)          .( .)          .( .)
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)    .% ( .)    .% ( .)     %
  AS % OF GNP................. (   .)    .% ( .)    .% ( .)     %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (   .)    .( .)      ( .)
  EQUIVALENT TO  .  MONTHS OF IMPORTS (   .)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)CASHEWS        ,COTTON          ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   51  (1983)   28  (1984)   24
   AS % OF TOTAL EXPORTS (   .)    .% (   .)    .% (   .)    .%

MAJOR IMPORTS(1983)MACH/ELECTR. EQ.VEHICLES        ,PETROLEUM PROD

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   29  (1983)   22  (1984)   25
   AS % OF TOTAL IMPORTS (   .)    .% (   .)    .% (   .)    .%

TRADE BALANCE($ MILLIONS, U.S.)(   .)       ( .)       .( )

TRADING PARTNERS: UNITED STATES ,PORTUGAL ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (   .)       .%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (   .)      .
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (   .)      .%
-------------
*SOCIAL DATA*
------ ------
POPULATION GROWTH RATE...(1970)   2.5% (1978)   3.1% (1985)  2.8%

POPULATION IN URBAN AREAS.............(1970)     6%   (1985)   11%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    48    (1985)     46

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (    .)     .%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 45.7% (15-64YRS) 51.4% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 158

PEOPLE PER PHYSICIAN.................(1980) 33,342

MAJOR CAUSES OF
DISEASE (1980) MEASLES           ,TUBERCULOSIS    ,HEPATITIS
DEATH   (1977) MALARIA           ,TRYPANOSOMIASIS ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS...  (1977)    83%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)  10%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1983)  TOTAL  53.5   MALE  62.0    FEMALE  45.2
SECONDARY.......  (1983)  TOTAL   6.9   MALE   9.4    FEMALE   3.6
POST SECONDARY..  (1980)  TOTAL   0.1   MALE   0.2    FEMALE   0.0

ENERGY PRODUCTION AS % OF CONSUMPTION..........(1983)      88.1%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MAURITIUS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	3.5	4.1	7.0	6.1	4.8	45.7	2.9	42.8
Loans	2.7	3.3	3.3	3.3	-	15.4	2.9	12.5
Grants	0.8	0.8	3.7	2.8	4.8	30.3	-	30.3
a. A.I.D. and Predecessor Agencies	0.3	-	2.0	2.0	4.0	9.1	-	9.1
Loans	-	-	-	-	-	-	-	-
Grants	0.3	-	2.0	2.0	4.0	9.1	-	9.1
(Economic Support Fund)	-	-	2.0	2.0	4.0	8.0		
b. Food for Peace (PL 480)	3.2	4.1	5.0	4.1	0.8	35.7	2.9	32.8
Loans	2.7	3.3	3.3	3.3	-	15.4	2.9	12.5
Grants	0.5	0.8	1.7	0.8	0.8	20.3	-	20.3
Title I - Total Sales Agreements	2.7	3.3	3.3	3.3	-	15.4	2.9	12.5
Repayable in U.S. Dollars - Loans	2.7	3.3	3.3	3.3	-	15.4	2.9	12.5
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.5	0.8	1.7	0.8	0.8	20.3	-	20.3
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.8	1.7	0.8	0.8	19.7	-	19.7
Voluntary Relief Agencies	-	-	-	-	-	0.6	-	0.6
c. Other Economic Assistance	-	-	-	-	-	0.9	-	0.9
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.9	-	0.9
Peace Corps	-	-	-	-	-	0.9	-	0.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	3.5	4.1	7.0	6.1	4.8	45.7	2.9	42.8
Loans	2.7	3.3	3.3	3.3	-	15.4	2.9	12.5
Grants	0.8	0.8	3.7	2.8	4.8	30.3	-	30.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1[illegible]	FY 1[illegible]	FY 1[illegible]	FY 19[illegible]
TOTAL.........	17.3	65.1	0.0	278.7
IBRD	12.2	60.2	0.0	196.2
IFC	0.0	0.0	0.0	0.5
IDA	0.0	0.0	0.0	20.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	4.2	0.0	24.0
UNDP	0.7	0.7	0.0	16.2
OTHER-UN	0.4	0.0	0.0	2.3
EEC	4.0	0.0	0.0	21.3

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	7.0	3.0	19.0
France	15.8	17.4	112.6
United Kingdom	2.9	2.0	23.8
Australia	2.1	3.3	12.5
Japan	0.4	0.4	5.2
Other	4.5	1.2	9.4
Total	32.7	27.3	182.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.8	N.A.	2.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	10	10
Eastern Europe	-	-	-
Total		10	10

MAURITIUS

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	7,000	–	–	–	–	–	7,000	–
Total	7,000	–	–	–	–	–	7,000	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	1,914	–	–	–	–	–	1,914	–
Total	1,914	–	–	–	–	–	1,914	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	3,000	–	–	–	–	–	3,000	–
Total	3,000	–	–	–	–	–	3,000	–

MAURITIUS

FY 1987
PROGRAM HIGHLIGHTS

- $3.0 million Economic Support Fund grant to finance the importation of essential commodities.

MAURITIUS

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	3,990	5,692	5,414
Total AID	3,990	5,692	5,414
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	3,990	5,692	5,414

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

MAURITIUS

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

MAURITIUS

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel	–	–	–
AID Direct Hire[a]	–	–	–
PASA[b]	–	–	–
TOTAL	–	–	–

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

MAURITIUS

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	5		–	6		–	6	
Regional[e]	–	–		–	15		–	–	
TOTAL	–	5		–	21		–	6	

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

MAURITIUS

Development Overview

Mauritius is an island nation covering some 720 square miles and has a population of about one million with a growth rate of 0.9% (1985). Mauritius is a middle income country with GNP per capita of $1,160 and high overall levels of literacy, nutrition and health care. However, pockets of poverty can be found in both rural and urban areas. On the island of Rodrigues, where about 30,000 persons live at low income levels, the development problems resemble those of much of rural Africa, including deteriorating crop land, high population growth, and poor physical infrastructure.

Mauritius' primary economic resources are its agriculture and its well-educated population. The country's relatively favorable climate is marred, nonetheless, by occasional severe cyclones. Partly because sugarcane can survive cyclones, the economy is currently dominated by sugarcane production which accounts for about 90% of the area under cultivation. Three quarters of the sugar is purchased by the EEC at preferential prices. The U.S. yearly quota for sugar is approximately 27,000 tons, or about 5% of the country's annual production.

Current economic problems date from the short-lived sugar boom of the early 70's, which was accompanied by increased government expenditures for social services and investments, and expansionary wage policies. After the subsequent downturn in sugar prices, expenditures of the Government of Mauritius (GOM) did not change quickly enough to reflect the reduction in revenues. Given the high propensity to import within the public and private sectors, expansionary fiscal, monetary and wage policies rapidly led to budgetary and balance of payments difficulties in the late 70's. In 1979, with its foreign exchange reserves almost fully exhausted, Mauritius entered into a stabilization program with the IMF. While cyclones and drought have hampered this effort, the GOM has continued to work closely with the IMF and the World Bank in addressing its difficult economic situation. These efforts have led to two major devaluations, three rounds of price increases to reduce subsidies, elimination of price controls, increases in interest rates, imposition of credit ceilings, tax reforms, limits on budget deficits, and successful implementation of a restrictive wage policy.

Good progress has been made in carrying out stabilization measures. The GOM has entered into a fifth Standby Arrangement with the IMF and has received two loans from the World Bank to support a structural adjustment program. These efforts are now having a major impact. Economic growth in 1984 was 4.2% and is estimated to be 5.5% in 1985. However, continued economic assistance is needed to help maintain economic growth and support the structural adjustments.

The GOM recognizes that if the economy is to grow and develop, it must be less dependent on world sugar prices and climatic factors. Accordingly, it has taken steps to expand and diversify the export base following, in part, a pragmatic, private sector approach. Drawing upon its well trained workforce, Mauritius has successfully developed a manufacturing Export

Processing Zone (EPZ), which now accounts for 40% of all export earnings. The steady growth of EPZ exports has contributed to foreign exchange earnings and expansion of domestic employment. The GOM also is undertaking research and extension activities in non-sugar agriculture, and is working to improve the livestock sector and expand fishing.

U. S. Interests and Objectives

The elected government is sensitive to U.S. concerns in the strategic Indian Ocean region. Mauritius has a flourishing democratic political system. The GOM welcomes US naval ship visits and provides laborers for the U.S. naval support facilities on Diego Garcia. It is in the U.S. interest that Mauritius succeed in its program of economic reforms, which is characterized by fiscal and financial responsibility, and close cooperation with the IMF and the World Bank.

A.I.D. Development Strategy

A.I.D has not undertaken direct project assistance in Mauritius. Program assistance, through commodity importation and a cash grant in support of economic policy reform is helping Mauritius in its economic structural adjustment program. The local currencies generated under these programs are used to support agricultural diversification, increase employment, and promote foreign investment and trade, especially in the Export Processing Zone.

A.I.D. Program (FYs 1985-1986)

A.I.D. provided $7.0 million in Economic Support Fund resources in FY 1985. A $2.0 million CIP and a $5.0 million cash grant in support of economic policy reforms were approved and implemented. In FY 1986, a $1.914 million CIP is budgeted for the importation of U.S. goods. The local currency generated by these programs is being used to support priority development activities (training industrial building construction, and small business and industry loans), which otherwise would be difficult to carry out because of fiscal restrictions under the GOM's stabilization program.

A Housing Investment Guaranty Program of $6.0 million has been approved, and in FY 86 the first $2.0 million disbursement will be made.

Requested Year Program (FY 1987)

A.I.D. is requesting $3.0 million of Economic Support Funds to continue financing essential imports from the U.S.

DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE, EAST AND SOUTHERN AFRICA (REDSO/ESA): John W. Koehring (Resident in Nairobi)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MAURITIUS

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SELECTED DEVELOPMENT ACTIVITIES													
HOUSING TA GRANT		G	642-0002	79	80	250	250	250	58	---	192	---	---
TOTAL FOR ACCOUNT						250	250	250	58	---	192	---	---
GRANTS						250	250	250	58	---	192	---	---
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM IV		G	642-0006	85	85	2,000	2,000	2,000	---	---	2,000	---	---
COMMODITY IMPORT PROGRAM V		G	642-0007	86	86	---	1,914	---	---	1,914	1,000	---	914
ECONOMIC POLICY REFORM PROGRAM		G	642-0008	85	85	5,000	5,000	5,000	---	---	2,500	---	2,500
COMMODITY IMPORT PROGRAM VI	*	G	642-0009	87	87	---	3,000	---	---	---	---	3,000	2,000
TOTAL FOR ACCOUNT						7,000	11,914	7,000	---	1,914	5,500	3,000	5,414
GRANTS						7,000	11,914	7,000	---	1,914	5,500	3,000	5,414
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						7,250	12,164	7,250	58	1,914	5,692	3,000	5,414
GRANTS						7,250	12,164	7,250	58	1,914	5,692	3,000	5,414
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MAURITIUS

PLANNED PROGRAM SUMMARY SHEET

Title Commodity Import Program (CIP VI)		Funding Source 3,000	AG, RD & N -	Health -	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 3,000	Life of Project Funding 3,000
Number 642-0009	☒ NEW	Population -	ED. & HR -	Sel. Act. -	Initial Obligation FY 1987	Estimated Final Obligation FY 1987
☒ GRANT ☐ LOAN	☐ CONTINUING					Estimated Completion Date of Project FY 1988

Purpose: To provide additional short-term, balance of payments relief through a Commodity Import Program emphasizing critical imports needed by the private sector.

Project Description: Grant funds will be made available to finance U.S. dollar costs of private sector commercial imports from the U.S. These imports would be vegetable oil, chemical fertilizer, agricultural equipment, spare parts, computers and other items. The provision of foreign exchange will continue to strengthen the capability of the Government of Mauritius to support its structural adjustment program and essential social and development activities. The local currency generated from these imports will be deposited in a special account. Local currency generations will be used to build upon prior years' initiatives and to promote: (1) private foreign investment and export of industrial production; (2) the expansion of tourism; (3) agricultural diversification; (4) productive private sector enterprises; (5) small scale rural community development activities, and (6) local training.

Relationship of Project to A.I.D. Country Strategy: This program is consistent with A.I.D.'s strategy of providing commodity imports in support of the GOM's structural adjustment program.

Host Country and Other Donors: This project will be financed solely by A.I.D. A number of other donors, including IMF and IBRD, are currently providing similar assistance. The IBRD is planning its third Structural Adjustment Loan (SAL III) for 1987. GOM projections point to the need for program assistance through the end of the decade.

Beneficiaries: The majority of Mauritius' people will benefit from the economic stability which this grant will support. The direct beneficiaries will be the private sector entrepreneurs who will have access to the imported commodities, which will contribute to increasing their productivity and income. Small farmers and entrepreneurs, as well as the unemployed, will benefit from the private sector jobs and investment opportunities financed by the local currency generations. Consumers of imported goods will benefit from expanded exports supported by the program.

Major Outputs:

Increased private sector development in such areas as agricultural diversification, exports and tourism.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Commodity grant	3,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	-
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,000	-	3,000

Principal Contractors or Agencies

AID 370-7 (11-85)

MOZAMBIQUE

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (656) MOZAMBIQUE

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      13,638

PER CAPITA GNP.......... (DOLLARS,1982)         397

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (    - .)    . %

ANNUAL RATE OF INFLATION (    .- .)    . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 51.7  MALE 50.0  FEMALE 53.5
                      (1970)   TOTAL 41.8  MALE 38.6  FEMALE 41.3

ADULT LITERACY RATE  (1980)    TOTAL  33%  MALE  44%  FEMALE  23%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)  -3.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    37%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)          27


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,CASSAVA ,SORGHUM                   30%   (1984)
  CASH: CASHEWS IN SHELL ,SUGARCANE ,TEA                10%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CASHEWS IN SHELL ,TEA ,COTTON

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,CORN ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1970)    73%
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*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (    .)           . ( .)            . ( .)
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (    .)           . ( .)              ( .)
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (    .)           . ( .)              ( .)
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)    . % ( .)    . %
  AS % OF GNP................. (    .)   . % ( .)    . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (    .)    . ( .)    . ( .)
  EQUIVALENT TO    .  MONTHS OF IMPORTS (    .)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)CASHEWS        ,COTTON          ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   51  (1983)   28  (1984)   24
   AS % OF TOTAL EXPORTS (    .)    .% (    .)    .% (    )    .%

MAJOR IMPORTS(1983)MACH/ELECTR. EQ,VEHICLES        ,PETROLEUM PROD

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   29  (1983)   22  (1984)   25
   AS % OF TOTAL IMPORTS (    .)    .% (    .)    .% (    )    .%

TRADE BALANCE($ MILLIONS, U.S.)(    .)       .( .)       .( .)

TRADING PARTNERS: UNITED STATES ,PORTUGAL ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (    .)       . %

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (    .)
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    .)    . %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.5% (1978)   3.1% (1985)  2.8%

POPULATION IN URBAN AREAS............(1970)     6%  (1985)   11%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    48   (1985)     46

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION   (    .)     %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 45.7% (15-64YRS) 51.4% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 158

PEOPLE PER PHYSICIAN.................(1980) 33,342

MAJOR CAUSES OF
DISEASE (1980) MEASLES          ,TUBERCULOSIS    ,HEPATITIS
DEATH.. (1977) MALARIA          ,TRYPANOSOMIASIS ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    83%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)  10%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1983)  TOTAL  53.5   MALE  62.0    FEMALE  45.2
SECONDARY.......  (1983)  TOTAL   6.9   MALE   9.4    FEMALE   3.6
POST SECONDARY..  (1980)  TOTAL   0.1   MALE   0.2    FEMALE   0.0

ENERGY PRODUCTION AS % OF CONSUMPTION...........(1983)     88.1%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MOZAMBIQUE

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	18.9	8.7	0.6	9.7	18.3	94.4	1.1	93.3
Loans	9.0	4.8	-	-	-	14.0	1.1	12.9
Grants	9.9	3.9	0.6	9.7	18.3	80.4	-	80.4
a. A.I.D. and Predecessor Agencies	-	-	-	-	8.9	20.4	-	20.4
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	8.9	20.4	-	20.4
(Economic Support Fund)	-	-	-	-	7.0	6.5		
b. Food for Peace (PL 480)	18.9	8.7	0.6	9.7	9.4	74.0	1.1	72.9
Loans	9.0	4.8	-	-	-	14.0	1.1	12.9
Grants	9.9	3.9	0.6	9.7	9.4	60.0	-	60.0
Title I – Total Sales Agreements	9.0	4.8	-	-	-	14.0	1.1	12.9
Repayable in U.S. Dollars – Loans	9.0	4.8	-	-	-	14.0	1.1	12.9
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	9.9	3.9	0.6	9.7	9.4	60.0	-	60.0
Emerg. Relief, Econ. Develop. & World Food Program	9.9	3.9	0.6	9.7	9.4	60.0	-	60.0
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	18.9	8.7	0.6	9.7	18.3	94.4	1.1	93.3
Loans	9.0	4.8	-	-	-	14.0	1.1	12.9
Grants	9.9	3.9	0.6	9.7	18.3	80.4	-	80.4
Other U.S. Government Loans and Grants	14.8	-	-	-	-	36.1	32.4	3.7
a. Export-Import Bank Loans	14.8	-	-	-	-	35.9	32.2	3.7
b. All Other Loans	-	-	-	-	-	0.2	0.2	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	17.4	47.4	58.4	222.8
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	45.0	45.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	45.2	0.0	116.9
UNDP	17.4	2.2	0.0	37.5
OTHER-UN	0.0	0.0	13.4	23.4
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	2.0	13.0	58.0
Sweden	46.3	36.7	216.3
Netherlands	29.5	16.8	99.5
Italy	27.4	33.9	77.0
Norway	16.5	18.0	74.5
Other	39.1	43.5	212.0
Total	160.8	161.9	737.3

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
3.2	N.A.	24.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	15	5	220
Eastern Europe	10	10	195
Total	25	15	415

MOZAMBIQUE

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	---	---	---	---	---	---	---	---
Grants	13,000	---	---	---	---	---	13,000	---
Total	13,000	---	---	---	---	---	13,000	---
1986								
Loans	---	---	---	---	---	---	---	---
Grants	9,570	---	---	---	---	---	9,570	---
Total	9,570	---	---	---	---	---	9,570	---
1987								
Loans	---	---	---	---	---	---	---	---
Grants	15,000	---	---	---	---	---	15,000	---
Total	15,000	---	---	---	---	---	15,000	---

FY 1987
PROGRAM HIGHLIGHTS

-- Agricultural inputs, such as seeds, fertilizer, handtools, trucks, and tractors to rehabilitate private commercial and small farmers.

-- Raw materials, such as rubber products for tractor tires and plastic for irrigation pipe, to revitalize and/or expand indigenous private companies.

-- Incentive goods, such as zinc sheeting, for stimulation of farm production.

-- Food assistance through P.L. 480, Title I and, if necessary, emergency relief P.L. 480, Title II programs.

MOZAMBIQUE

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	---	---	---
Grants	4,904	9,800	9,895
Total AID	4,904	9,800	9,895
P.L. 480 **			
Title I	17,000	7,900	10,000
(of which Title III is)	(---)	(---)	(---)
Title II	8,371	8,969	---
Total P.L. 480	25,371	16,869	10,000
Total AID and P.L. 480	29,375	26,669	19,895

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	32,000	5,000	20,000	2,700	31,000	4,000
Rice	33,000	9,500	10,000	3,000	11,000	3,000
Feedgrains	18,000	2,500	20,000	2,200	28,000	3,000
Vegoil	---	---	---	---	---	---
Non-food	---	---	---	---	---	---
Title I Total	83,000	17,000	50,000	* 7,900	70,000	10,000
(of which Title III is)	---	---	---	---	---	---
Title II 1/						
Voluntary Agencies	14,145	2,242	15,418	4,410	---	---
Government - to - Government	42,250	6,129	40,000	4,559	---	---
Title II Total	56,395	8,371	55,418	8,969	---	---
Total P.L. 480	139,395	25,371	98,918	16,869	70,000	10,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

* FY 1986 figures exclude $2.5 million which was reduced from commodity allocations to pay for ocean freight costs.

MOZAMBIQUE

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	4	4	5
PASA[b]	-	-	-
TOTAL	4	4	5

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	-	-	3	-	3	3	-	3
Regional[e]	-	-	-	5	2	7	5	2	7
TOTAL	-	-	-	8	2	10	8	2	10

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	--	—	--	--	—	--	--	—	--
Regional[e]	--	--	—	--	2	2	--	2	2
TOTAL	--	—	--	--	2	2	--	2	2

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

MOZAMBIQUE

Development Overview

A severe economic crisis has gripped Mozambique for the past several years. Clear evidence of the crisis abounds: gross domestic product is now only two-thirds of its 1973 level; industries operate at 30% of installed capacity; commercial agricultural production for export has declined 52% since 1981; current account deficits average 23% of GNP; national external debt amounts to 120% of GNP. Mozambique's net foreign exchange reserves are totally depleted. Despite debt rescheduling, the debt service ratio at the end of 1984 equalled 174% of exports of goods and services; Mozambique's outstanding total debt is $2.4 billion, with arrears of $545 million as of 1984.

This economic crisis stems from a colonial legacy which contributed little to equitable development benefitting the majority of the population and inappropriate economic policies in the post-independence years. At independence in 1975, 93% of the population was illiterate, annual per capita income was $150, and life expectancy was only 44 years. Moreover, from 1975 to 1983, the Government of the People's Republic of Mozambique (GPRM) pursued economic policies that generally did not work. It assumed control of many firms, following the mass exodus of the Portuguese. A centrally-planned economy emphasized the public sector, investing scarce resources on state farms, communal villages, parastatals, and heavy industry. Policies restricted private sector activity resulting in severe curtailment of the market economy.

The local currency (metical) decreased sharply in value, consumer goods became unavailable for sale, and foreign exchange for spares and raw materials diminished substantially. With the lack of consumer goods and controlled prices for agricultural products, farmers had little incentive to produce a surplus for urban centers.

In addition, Mozambique faced, from 1981 to 1984, its worst drought in a century. In some areas, no rain fell for three years; in others, rainfall was far below normal. Agricultural production plummeted: corn and rice harvests in southern Mozambique were more than halved and almost the entire vegetable crop was lost. Two and a half million people in central and southern Mozambique suffered from acute food shortages. Furthermore, a violent rural insurgency has dislocated thousands of Mozambicans, cut communications, and isolated many areas. This has deepened the food deficit, hampered relief activities, and limited the effectiveness of development activities. These problems followed other adverse external factors, such as the oil price shock and the loss of much employment in South Africa.

In 1983, the Fourth FRELIMO Party Congress pragmatically acknowledged policy errors, criticizing the inefficiency of state farms, the lack of support for private agriculture, and the inappropriateness of new investment in heavy industry. The Economic Action Plan (1984-86) mandated that the state sector minimize new investment, use present land and equipment more efficiently, and emphasize basic consumer goods production. It also encouraged aid to family and commercial farmers and establishment of producer prices which would yield a real financial return and stimulate food and export crops.

Despite the currently depressed situation, the potential for economic recovery and development in Mozambique is high. It lies in Mozambique's rich resource base, concentrated in the underexploited energy, minerals, and agricultural sectors. To realize this potential will require the GPRM to address long-term constraints (e.g., the shortage of trained manpower, the need for generally stimulative economic policy reforms, the restoration of a market economy) and to overcome short-term problems, including domestic insecurity and a difficult financial situation.

Some progress has been made. The literacy rate has increased from 7% in 1975 to 28% in 1980. Health care has improved, and half the population has access to preventive health services. In 1984, Mozambique joined the IMF and IBRD and negotiated a rescheduling of most of its existing debt. More recently, liberalization of certain agricultural prices and foreign exchange regulations has been very successful and there are indications that economic reform is continuing at a deliberate pace.

U.S. Interests and Objectives

Mozambique, with some of the best natural harbors in Africa, occupies a strategic location along Southern Africa's Indian Ocean coast. Its transportation network is key to the economic viability of the landlocked states in the region. It possesses potentially rich mineral, petroleum, and natural gas deposits.

Mozambique continues to play a key diplomatic role in the resolution of outstanding regional issues. In signing of the 1984 Nkomati Accord with South Africa, it demonstrated its commitment to non-intervention and underlined its desire for regional stability.

The GPRM has sought closer links with the West: the Fourth FRELIMO Party Congress urged new economic relationships with Western governments, international financial institutions, and private foreign investors. Mozambique is currently collaborating with the IMF and IBRD to develop fiscal and monetary policy reforms aimed at economic recovery and expansion. Mozambique is also participating in Lome III. Negotiations concluded with the Paris Club have led to debt rescheduling and potential economic development activities. An OPIC agreement was signed in 1984. An American trade and investment mission was accorded a warm welcome in early 1985: Mozambican officials frankly acknowledged their country's developmental problems, explored their interests in Western assistance, and identified areas of United States investment opportunity.

The United States has welcomed this broader orientation by the GPRM and the concrete actions of the GPRM to mature and deepen its bilateral and multilateral relationships with the Free World. United States interests are best served in Southern Africa by encouraging Mozambique's critical role as a stabilizing force. Within the Mozambican context, the United States seeks to support the GPRM policy initiatives to rehabilitate the private sector and to assist the GPRM in developing an economic recovery program.

A.I.D. Development Strategy

The A.I.D. strategy in Mozambique is to promote the private sector, particularly the private agricultural sub-sector, by expanding the dynamic productive capacity of private commercial farmers and by assisting other public and private institutions which directly support private sector growth.

The GPRM has recognized that growth in its economy is dependent upon a healthy, vigorous private sector. After eight disastrous years of promoting state enterprise, the GPRM has revised its policies to provide the private sector with the means of production needed to accelerate and sustain increased productivity. The A.I.D. strategy is to support and encourage this change in policy direction.

The A.I.D. Private Sector Rehabilitation Program is designed to resuscitate the private sector via two discrete sub-projects: a commodity import program to stimulate private agricultural production and a technical assistance and training component to assist private sector rehabilitation. The commodity import component includes spare parts for farm equipment, new agricultural equipment to replace that which is beyond repair or to expand current production capacity, agricultural inputs and implements, raw materials for private indigenous companies producing agricultural-related products, and incentive goods to stimulate agricultural production. Technical assistance will encourage foreign investment promotion, assist divestiture planning in key sectors of the economy, develop a pool of trained Mozambicans from which private sector enterprises can draw, and train agricultural machinery repair technicians.

A.I.D. Program (FY 1985-1986)

A.I.D. signed its first project agreement with the GPRM in FY 1984. The Private Sector Rehabilitation Program (656-0201) focuses on supplying badly needed agricultural inputs and equipment to private farmers in southern Mozambique and on providing the expertise and training necessary to reactivate the private sector. A.I.D. provided $13,000,000 in FY 1985 (of which $12,000,000 was for commodity imports). In FY 1986, A.I.D. plans to obligate $9,570,000 for the program.

Through an A.I.D.-financed contract with Shearson Lehman Brothers, the GPRM has obtained general financial advisory services related to the Paris Club debt rescheduling agreement and is developing external operations and debt management systems for the Bank of Mozambique. Arthur D. Little, another A.I.D. financed contractor, is assisting the Ministry of Mineral Resources in arranging foreign private investment for an ammonia production plant.

MOZAMBIQUE

The technical assistance program may be implemented, in part, through a trilateral agreement between the United States, Mozambique, and Portugal. Over a four year period, Portugal expects to contribute $400,000 to the program.

Under the commodity import component, financing is provided for agricultural inputs urgently needed by private family and commercial farmers in two agriculturally rich provinces of Mozambique. In addition to agricultural inputs, implements, and equipment, the program provides specific raw materials needed by private producers of agriculture-related goods, as well as incentive goods needed to induce surplus agricultural production. All commodities will be sold through existing commercial channels, using to the maximum extent possible, the private sector to transport and retail the goods.

In FY 1985, in response to severe drought and cyclone damage, the United States made 42,250 MT of P.L. 480, Title II corn (valued at $6.1 million) available to the GPRM on a bilateral basis; of that amount, 7,000 MT were distributed free of charge to drought victims, while the remaining 35,250 MT were distributed through normal commercial channels. Sales proceeds are targetted to agricultural and rural development projects, primarily to promote small private farm production. In addition, World Vision transported another 12,850 MT of corn (valued at $1.9 million) to Mozambique, while Church World Services utilized 1,295 MT of various commodities (valued at $378,000) in a direct feeding program, benefitting some 35,000 drought victims. Finally, under Section 416, 5,640 MT of dairy products (valued at $5.7 million) was provided to the GPRM for feeding programs in hospitals, schools, and factories. In addition, Mozambique procured some 86,500 MT of wheat, corn, and rice (valued at $17 million) under the Title I (concessional sales) program. In light of the GPRM's balance of payments problems and the drought emergency situation, the Title I loan also covered ocean transportation (estimated at $4 million).

For FY 1986, the United States has already approved 55,419 MT under P.L. 480, Title II, 43,500 MT of commodities under Title I, and a further 5,640 MT of dairy products under Section 416. Approximately one-third of the Title II amount will be distributed free by United States private voluntary agencies and the GPRM's disaster coordinating unit, with the rest distributed through commercial channels. Additional P.L. 480, Title II commodities may be needed during 1986 to meet food shortages related to the drought and rural insurgency. The P.L. 480, Title I program of $10.0 million planned for FY 1986 will assist in meeting the normal food deficit requirements in urban and rural areas.

MOZAMBIQUE

Requested Year Program (FY 1987):

The FY 1987 request includes $15.0 million to continue the Private Sector Rehabilitation Program into its fourth and final phase. The two major components of the program -- technical assistance and training and the commodity import mechanism -- will remain as core elements. Consideration will be given, however, to increasing the number of private farmers benefitting from the program by expanding the program to other geographic areas in Mozambique. Based on evaluation results, new means of involving the private sector in importing, transporting, and retailing imported commodities will be explored.

P.L. 480, Title I program, at a $10.0 million level in FY 1987, will provide badly needed food, on a highly concessional basis to the urban and rural population. Local currency generated will be used to help support agricultural reform measures. Title II emergency food assistance will continue.

A.I.D. AFFAIRS OFFICER - Alan Silva

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MOZAMBIQUE

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PRIVATE SECTOR REHABILITATION		G	656-0201	86	87	1,000	1,000	1,000	2	---	500	---	498
TOTAL FOR ACCOUNT						1,000	1,000	1,000	2	---	500	---	498
GRANTS						1,000	1,000	1,000	2	---	500	---	498
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
PRIVATE SECTOR REHABILITATION		G	656-0201	84	87	37,000	44,570	20,000	4,902	9,570	9,300	15,000	9,400
TOTAL FOR ACCOUNT						37,000	44,570	20,000	4,902	9,570	9,300	15,000	9,400
GRANTS						37,000	44,570	20,000	4,902	9,570	9,300	15,000	9,400
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						38,000	45,570	21,000	4,904	9,570	9,800	15,000	9,898
GRANTS						38,000	45,570	21,000	4,904	9,570	9,800	15,000	9,898
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

NIGER

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COUNTRY:  (683) NIGER                          FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      16,491

PER CAPITA GNP.......... (DOLLARS,1983)        240

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -1.2%

ANNUAL RATE OF INFLATION (1973-83) 11.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 46.1  MALE 44.5  FEMALE 47.8
                     (1970)   TOTAL 41.4  MALE 40.4  FEMALE 42.3

ADULT LITERACY RATE  (1980)   TOTAL  10%  MALE  14%  FEMALE   6%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -0.1%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    33%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        44


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: MILLET ,SORGHUM ..                     25%   (1984)
  CASH: COWPEAS .. ..                                 10%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIVESTOCK ,COWPEAS ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SORGHUM ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)    90%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)        224 (79)         294 (80)        367
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)        280 (79)         351 (80)        487
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)        -56 (79)         -57 (80)       -120
DEFENSE EXPENDITURES.
  AS % OF TOTAL EXPENDITURES.. (1978)  4.3% (79)  4.5% (80)  3.6%
  AS % OF GNP.......... ...... (1978)  1.0% (79)  1.0% (80)  1.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)    34 (83)    58 (84)    89
  EQUIVALENT TO  0.7 MONTHS OF IMPORTS (1982)
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*FOREIGN TRADE*
----------------
MAJOR EXPORTS(1983)URANIUM         ,LIVESTOCK      ,COWPEAS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    1  (1983)    4  (1984)    1
   AS % OF TOTAL EXPORTS (1981)   0% (1982)    0% (1983)   1%

MAJOR IMPORTS(1983)PETROLEUM PRCD ,PRIMARY MATERIA,MACHINERY

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   11  (1983)    2  (1984)    2
   AS % OF TOTAL IMPORTS (1980)   4% (1981)    3% (1982)   3%

TRADE BALANCE($ MILLIONS, U.S.)(1980)   -302(81)   -228(82)   -69

TRADING PARTNERS: FRANCE ,NIGERIA ,ITALY

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    71.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    73
      AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  19.6%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   2.9% (1978)   3.0% (1985)  3.4%

POPULATION IN URBAN AREAS..........(1970)     8%   (1985)   15%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)         (1985)     52

MARRIED WOMEN AGED 15-44 YRS  USING CONTRACEPTION   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
              (0-14YRS) 46.4% (15-64YRS) 51.1% (65+ YRS)  2.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 135

PEOPLE PER PHYSICIAN.................. (1978) 38,791

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,SKIN INFECTIONS ,INTESTINAL INFEC
DEATH.. (1984) MENINGITIS       ,MALARIA         ,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS    (1977)    94%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  33%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1981)  TOTAL  25.1   MALE  32.5    FEMALE  17.9
SECONDARY.......  (1981)  TOTAL   5.9   MALE   5.6    FEMALE   2.1
POST SECONDARY..  (1980)  TOTAL   0.2   MALE   0.4    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     12.8%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY NIGER

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	12.7	17.5	17.8	24.1	29.3	207.8	1.2	206.6
Loans	-	-	-	-	-	3.5	1.2	2.3
Grants	12.7	17.5	17.8	24.1	29.3	204.3	-	204.3
a. **A.I.D. and Predecessor Agencies**	9.5	13.7	13.0	21.0	26.4	130.6	1.2	129.4
Loans	-	-	-	-	-	3.5	1.2	2.3
Grants	9.5	13.7	13.0	21.0	26.4	127.1	-	127.1
(Economic Support Fund)	-	-	-	5.0	5.0	10.0		
b. **Food for Peace (PL 480)**	1.0	1.4	2.1	0.8	0.5	50.6	-	50.6
Loans	-	-	-	-	-	-	-	-
Grants	1.0	1.4	2.1	0.8	0.5	*	-	50.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.0	1.4	2.1	0.8	0.5	50.6	-	50.6
Emerg. Relief, Econ. Develop. & World Food Program	1.0	1.4	2.1	0.8	0.5	50.6	-	50.6
Voluntary Relief Agencies	-	-	-	-	-	*	-	*
c. **Other Economic Assistance**	2.2	2.4	2.7	2.3	2.4	26.6	-	26.6
Loans	-	-	-	-	-	-	-	-
Grants	2.2	2.4	2.7	2.3	2.4	26.6	-	26.6
Peace Corps	2.2	2.4	2.7	2.3	2.4	26.6	-	26.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	-	2.5	2.4	2.5	2.2	9.7	1.3	8.4
Credits or Loans	-	2.3	2.0	1.2	-	5.5	1.3	4.2
Grants	-	0.2	0.4	1.3	2.2	4.2	-	4.2
a. MAP Grants	-	-	-	1.0	2.0	3.1	-	3.1
b. Credit Financing - FMS	-	2.3	2.0	1.2	-	5.5	1.3	4.2
c. Military Assistance Service Funded (MASF) Grants	-	0.2	0.4	0.3	0.2	1.1	-	1.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	12.7	20.0	20.2	26.6	31.5	217.5	2.5	215.0
Loans	-	2.3	2.0	1.2	-	9.0	2.5	6.5
Grants	12.7	17.7	18.2	25.4	31.5	208.5	-	208.5
Other U.S. Government Loans and Grants	-	-	-	-	-	5.4	3.7	1.7
a. Export-Import Bank Loans	-	-	-	-	-	5.4	3.7	1.7
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	26.7	34.6	34.0	513.2
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	2.6
IDA	10.1	11.7	16.6	242.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	12.5	20.0	12.0	73.0
UNDP	4.1	2.9	0.0	52.5
OTHER-UN	0.0	0.0	5.2	15.1
EEC	0.0	0.0	0.2	127.3

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	21.0	16.0	76.0
France	40.2	29.4	259.3
Germany, Fed. Rep.	38.1	27.6	207.9
Canada	6.0	6.4	60.6
Japan	9.4	11.0	54.5
Other	11.9	12.3	85.5
Total	126.6	102.7	743.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
85.2	N.A.	131.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	2
Eastern Europe	-	-	-
Total	-	-	2

NIGER

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	25,000	-	-	-	-	-	5,000	20,000
Total	25,000	-	-	-	-	-	5,000	20,000
1986								
Loans	-	-	-	-	-	-	-	-
Grants	20,785	-	-	-	-	-	4,785	16,000
Total	20,785	-	-	-	-	-	4,785	16,000
1987								
Loans	-	-	-	-	-	-	-	-
Grants	24,000	-	-	-	-	-	7,000	17,000
Total	24,000	-	-	-	-	-	7,000	17,000

FY 1987
PROGRAM HIGHLIGHTS

- Support agricultural economic policy reforms through local cost financing of on-going agricultural productivity activities. ($7 million ESF: $3 million SDP)

- Initiate health/population sector policy reforms through the continuation of a health sector grant, local currency from which will finance local costs of health/population interventions such as reduced infant/child morbidity/mortality, malaria control, oral rehydration therapy and family planning. ($7 million SDP)

- Strengthen organizations involved in village-level training, credit and agriculture input management in self-managed cooperatives. ($1 million SDP)

- Initiate applied research/extension in the irrigation area. ($5 million SDP)

NIGER

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	--	--	--
Grants	18,456	29,573	29,499
Total AID	18,456	29,573	29,499
P.L. 480 **			
Title I	--	--	--
(of which Title III is)	(--)	(--)	(--)
Title II	19,904	--	--
Total P.L. 480	19,904	--	--
Total AID and P.L. 480	38,360	29,573	29,499

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	--	--	--	--	--	--
Title II [1]						
Voluntary Agencies	7,898	3,397	--	--	--	--
Government - to - Government	125,000	16,507	--	--	--	--
Title II Total	132,898	19,904	--	--	--	--
Total P.L. 480	132,398	19,904	--	--	--	--

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

NIGER

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	22	21	21
PASA[b]	4	4	4
TOTAL	26	25	25

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	43	9	52	39	31	70	69	38	107
Regional[e]	12	17	29	15	14	29	18	20	38
TOTAL	55	26	81	54	45	99	87	58	145

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	31	11	42	32	34	66	19	33	52
Regional[e]	33	3	36	31	5	36	31	5	36
TOTAL	64	14	78	63	39	102	50	38	88

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

NIGER

Development Overview

Niger is among the poorest and least developed countries in West Africa. With a per capita income of $240, it has a literacy rate of only 7 percent and a rapidly growing population of 6.3 million, 47 percent of which is under the age of 15. Only a quarter of this landlocked country is useful for agriculture and livestock and even this area is vulnerable to drought. Thus, the ability to increase agricultural production, the economy's most important sector, is limited.

Niger's food situation is threatened by deteriorating soils, climate conditions and rapid population growth. The prolonged drought years of 1968-1973 and 83-84 severely damaged the fragile land resource base and overgrazing of pasture still occurs, further diminishing these resources.

Despite these constraints, Niger had substantial real growth between 1975-1980, stimulated by uranium prices and favorable rainfall. Uranium earnings financed about a third of the Government of Niger (GON) budget and contributed to rapid growth in construction, industry, and the commerce/transport/services sector during 1975-80.

The boom ended in 1981 with a sharp fall in the demand for uranium and a mediocre harvest. In 1982 and 1983 there was a moderate increase in the uranium price but the decline in uranium demand and revenues therefrom have kept the economy in a state of recession. While the 1983 harvest was near average, the country's pastoral zone suffered from insufficient rainfall. The failure of the 1984 rains resulted in the worst harvest and grazing conditions that the country has experienced since early in the 20th Century.

The GON has a stabilization and recovery program which responds to the decline in government revenues. Stringent short-term measures are in place, including a cut in the national investment budget. A stand-by arrangement has been negotiated with the International Monetary Fund and a Compensatory Financing Facility has also been negotiated because of the falling uranium export earnings. The government has adopted a two-year interim consolidation plan which calls for restricted capital expenditures while giving priority to the maintenance and effective utilization of high-priority development programs. The GON recognizes as well the need for significant policy reforms to enhance the attainment of its development objectives.

U.S. INTERESTS AND OBJECTIVES

United States interests in Niger are both strategic and humanitarian. We have a strategic interest in the preservation of Niger's pragmatic and western-oriented government, particularly in the face of the Libyan threat. President Kountche's oft-expressed concern over that threat against regional security is shared by the U.S. Further deterioration of Niger's economic situation may increase its vulnerability to Libyan-inspired subversion.

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Our humanitarian interests center on providing relief from the immediate deleterious effects of the drought and associated food shortages, as well as on the economic development of the country. Besides the short-term measures to help the government stabilize its present budget and financial problems, longer-term efforts are being made to assist Niger to achieve its priority goal of becoming food self-sufficient in cereal grains. However, at this stage it is still necessary to anticipate the possible need for emergency food assistance.

The West also has a potentially important economic interest here. Uranium and other mineral resources give Niger a degree of importance beyond that of other Sahelian countries.

A.I.D. DEVELOPMENT STRATEGY

A.I.D.'s overall objective in Niger is to increase food production and eventually achieve food self-reliance. Current strategy objectives call for short-term economic stabilization, medium-term increased agricultural production, and long-term human and institutional development.

Economic stabilization objectives include maintenance of existing investment activities, more effective use of available resources and reform of agricultural policies. The main tool in achieving this objective is policy dialogue within the context of the Agriculture Sector Development Grant (ASDG). A.I.D. stabilization objectives also include strengthening institutional capabilities for evaluation and financial management.

The agricultural production objectives concentrate on development of participatory self-managed organizations and the private sector to increase food production. Dryland agriculture, livestock production, some limited irrigation activities and agriculture research programs are the essential components of this objective.

Institutional and human resources objectives focus on areas that contribute directly to increased agricultural production. A.I.D. is pursuing this objective primarily through participant training within bilateral projects or as part of the Sahel Manpower Development Program. Education activities support literacy and numeracy training to foster the development of self-managed agricultural organizations. Long-term institutional development activities and agricultural production are inextricably linked in a country with widespread malnutrition caused by endemic parasitic and infectious diseases that reduce the ability of the population to work at the time when labor requirements for agricultural production are at their peak. The Mission will increasingly emphasize the policy dimensions of the health sector in the shorter term.

NIGER

Drought Impact

A.I.D.'s major bilateral projects were affected to varying degrees by the drought in 1984. Integrated Livestock Production was hardest hit and emergency relief measures to assist herders in the pastoral zone had to be taken. Presently the project is being evaluated and redesigned to take into account such periodic drought impact. Implementation of policy reforms under the Agricultural Sector Development Grant was affected to a degree, particularly livestock trade liberalization and cereal marketing. Local currency funds were authorized for several drought-related support requirements. Applied agricultural extension and development of technical packages were disrupted under the Niamey Department Development Project (NDD II) and the long-term effect may be that the northern zone of the project will have reduced emphasis on dryland agriculture. The project assisted many affected people to undertake small-scale irrigated gardening to compensate for cereal crop losses.

Under the Niger Cereals Research Project experimental plots suffered due to lack of moisture at the right time, but measures have been taken to modify testing and prevent a similar recurrence. The Agricultural Production Support Project adapted to the crisis by dramatically increasing seed production to help cover farmer seed losses.

The Rural Health Improvement Project (RHIP), in response to drought conditions, carried out nutritional surveys aimed at groups needing emergency medical care and feeding programs. With the almost average levels of moisture during this year's rainy season the most adverse aspects of the drought have been ameliorated. Emergency food assistance will still be needed in isolated pockets of continued drought and several proposed PVO recovery projects will address the continuing need for improved water supply in these most affected areas.

A.I.D. PROGRAM (FYs 1985 - 1986)

Economic Stabilization

In support of Niger's economic reform efforts $9.5 million was obligated in FY 85 ($4.5 million SDP and $5 million ESF) as the second increment to the Agricultural Sector Development Grant (ASDG). ($10,285,000 will be obligated in FY 1986 - $5.5 million from SDP and $4.785 million from ESF). The ASDG is the key instrument in the policy dialogue process with the GON. Obligated increments will be disbursed as the GON meets specified conditions which are tied to progress made in policy reform implementation. The technical assistance team for the policy unit will be at full strength in FY 86 and there will be an interim evaluation at the end of FY 86.

NIGER

Agricultural Production

Increased food production through more effective delivery of services and goods to farmers, increased numbers of personnel able to manage rural development activities and institutionalization of participatory, self-managed organizations are key elements of the agricultural production objectives.

The Agricultural Production Support Project ($5,287,000) provides support to the GON policy reform of parastatal divestiture, improvement of agricultural credit and creation of viable producer cooperatives. Such efforts will continue to improve credit opportunities, input supplies, and strengthen cooperatives, leading to further liberalization of the market and reducing costs for seed multiplication.

Niamey Department Development II ($2,000,000) will focus on the development and strengthening of self-managed village organizations and on data collection in each ecological subzone to determine which elements are profitable and which should be dropped. Village-level training will be done through new village-based farmer training centers.

The Integrated Livestock Production Project, affected severely by the drought, is undergoing an evaluation/redesign. The project, with technical assistance being supplied by Tufts University, is continuing its drought recovery activities in FY 86, including the establishment of an early warning system to measure biomass availability.

Niger Cereals Research Project, being implemented through Purdue University, will more sharply focus on institutional development benchmarks, increased emphasis on linkages between research centers and increased on-farm testing of technical packages.

Institutional Development and Human Resources: During FY 1985/86, all bilateral education/literacy projects will be phased out. An in-house appraisal of the participant training portfolio will take place in FY 86. Forestry and Land Use Planning Project ($384,000) will increase total funding and be extended an additional year to complete institutionalization of the planning and model sites management activities. The Health Sector will continue to support the improvement of primary health services and institutionalization of the management planning unit in the Ministry of Health by Tulane University under the Rural Health Improvement Project, which will be extended and receive a final funding tranche to bring the project to conclusion. ($950,000). The Niger Comprehensive Health Program ($2,839,000) will be initiated in late FY 86 addressing specific health and population policy reforms in the areas of population growth, cost recovery for health care components, the restructuring of health expenditures in the recurrent cost budget, health management efficiency, drug procurement and the deployment of trained health personnel.

NIGER

Requested Year Program (FY 1987)

In FY 1987 A.I.D. will assist the GON with economic and financial stabilization support to foster recovery of the economy and development aid to continue efforts to increase the country's productive capacity. One new project -- Applied Irrigation Research and Coordination -- will be undertaken and fully funded in FY 1987.

Economic Policy Reform: Economic support efforts will continue to stress policy reform. The Agricultural Sector Development Grant (683-0246/0247) will remain the focal point of this effort. The proposed FY 1987 program includes $7 million of ESF and $3 million SDP funds. Policy reform goals will be to develop the agricultural input supply system with increasing private sector participation; abolish uniform prices for cereals; tender official purchases and sales; and establish village-level storage for grain reserves. An agricultural credit study will be completed during the year.

Agricultural Production: The FY 1987 request includes $7,000,000 for two agricultural projects. The Niamey Department Development II Project ($1,000,000) will continue strengthening agricultural extension, training and support for development of local organizations, credit for use of technical packages, and a local investment fund for micro-activities. The Applied Irrigation Research and Coordination Project ($5,000,000) will start the process of institutionalizing applied systems research with extension linkages in the irrigation subsector. Applied research will be conducted in soil fertility and micro-irrigation.

Human Resources and Institutional Development: The Niger Comprehensive Health Program ($6,960,000) will continue to carry on an intensive policy dialogue in health and population. Program development will extend family planning services beyond Niamey and provide oral rehydration therapy, an expanded program of immunization, malaria control and nutritional surveillance. Collaboration with the Peace Corps in the implementation of Small Project Assistance ($40,000) will continue in FY 1987.

MISSION DIRECTOR: Peter Benedict

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NIGER

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
HEALTH													
RURAL HEALTH IMPROVEMENT		G	683-0208	78	78	2,000	2,000	1,970	1,865	---	105	---	---
TOTAL FOR ACCOUNT						2,000	2,000	1,970	1,865	---	105	---	---
GRANTS						2,000	2,000	1,970	1,865	---	105	---	---
LOANS						---	---	---	---	---	---	---	---
SAHEL DEVELOPMENT PROGRAM													
RURAL HEALTH IMPROVEMENT		G	683-0208	78	86	13,429	13,429	13,429	8,453	950	3,500	---	1,450
NIGER CEREALS RESEARCH		G	683-0225	82	85	11,660	11,660	11,660	3,757	---	2,600	---	2,600
RURAL SECTOR HUMAN RESOURCES DEVELOPMENT		G	683-0226	79	82	5,030	5,030	5,030	3,321	---	325	---	1,384
EVALUATION ASST TO MINISTRY OF PLANNING		G	683-0229	81	82	2,000	2,000	2,000	985	---	500	---	250
FORESTRY AND LAND USE PLANNING		G	683-0230	80	86	3,839	4,223	3,839	2,469	384	900	---	700
AGRICULTURAL PRODUCTION SUPPORT		G	683-0234	82	87	19,900	19,900	14,613	3,892	4,287	3,700	1,000	4,000
LITERACY TRAINING		G	683-0237	81	81	1,810	1,810	1,145	756	---	389	---	---
NIAMEY DEPARTMENT DEVELOPMENT PHASE II		G	683-0240	81	87	13,582	16,582	13,582	7,585	2,000	3,200	1,000	3,000
INTEGRATED LIVESTOCK PRODUCTION		G	683-0242	83	88	17,500	17,500	13,394	4,520	---	3,500	---	3,250
RURAL IRRIGATED AGRI DEV II (PVO)		G	683-0245	83	83	750	750	750	467	---	283	---	---
RURAL SECTOR DEVELOPMENT GRANT		G	683-0246	84	87	15,000	17,500	7,500	27	5,500	5,250	3,000	6,000
SMALL PROJECT ASSISTANCE-AID/PC		G	683-0249	83	86	200	200	120	43	40	65	40	80
IRRIGATED AGRICULTURE	*	G	683-0250	87	88	---	6,000	---	---	---	---	5,000	---
RURAL HEALTH IMPROVEMENT II		G	683-0256	86	90	---	15,000	---	---	2,839	---	6,950	2,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NIGER

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
MATERNAL LANGUAGES TEXTS	G	683-0937	84	84	348	348	348	92	---	256	---	---
TOTAL FOR ACCOUNT					105,048	131,932	87,410	36,367	16,000	24,469	17,000	24,714
GRANTS					105,048	131,932	87,410	36,367	16,000	24,469	17,000	24,714
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
RURAL DEV. SECTOR GRANT-ESF	G	683-0247	83	87	17,000	28,785	15,300	10,000	4,785	5,000	7,000	4,785
TOTAL FOR ACCOUNT					17,000	28,785	15,000	10,000	4,785	5,000	7,000	4,785
GRANTS					17,000	28,785	15,000	10,000	4,785	5,000	7,000	4,785
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					124,048	162,717	104,380	48,232	20,785	29,573	24,000	29,499
GRANTS					124,048	162,717	104,380	48,232	20,785	29,573	24,000	29,499
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: NIGER

PLANNED PROGRAM SUMMARY SHEET

Title APPLIED IRRIGATION RESEARCH AND COORDINATION	Funding Source SDP	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000	Life of Project Funding 6,000
Number 683-0250 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1988 Estimated Completion Date of Project FY 1990

Purpose: To establish and institutionalize a system of applied research and extension services in irrigated agriculture subsector focusing particularly on soil fertility and small-scale irrigation.

Project Description: Niger has considerable potential for irrigated agriculture; however, little effort has been devoted to irrigation research and the adaptation of small farm systems to irrigated agriculture due to the overwhelming emphasis placed on dryland crop production. This planned project will:

- Conduct applied research on cropping systems, water management, cultural techniques and water management/pumping systems for small-scale irrigation systems;
- Undertake applied research on soils analyses, fertility and water management at the small farm level; and
- Establish an operational research/extension testing and information exchange unit to interact with existing GON technical services, research institutions, operational irrigation projects and cooperatives and the private sector.

Relationship Of Project To A.I.D. Country Strategy: Increasing agricultural (particularly food crop) production is the key element of A.I.D.'s development strategy over the next two decades. This project will provide a firm foundation of data and field testing to help Nigerien farmers increase their productivity through irrigated technologies. The United States is accepted by most aid-donors as the leader in the fields of applied research and extension services. Additionally, the U.S. development program in Niger already includes a number of agro-activities which relate directly to irrigated agriculture.

Host Country And Other Donors: The Government of Niger (GON) has been giving increasingly greater attention to the expansion of irrigated agriculture as a supplemental alternative to dryland agriculture. Although its longer term strategy is not yet well articulated, the GON has recognized that drought recurrences will plague Niger with some regularity, although not necessarily on a predictable basis. Short term objectives are to bring into cultivation 1,000 hectares of new or rehabilitated irrigation perimeters per year. The World Bank, French Caisse Centrale and Kuwaiti Development Fund are collaborating with the GON on a program involving the rehabilitation of 18 existing perimeters. The European Development Fund has a substantial technical assistance component primarily in the areas of production, extension, maintenance and credit. The African and Kuwaiti Development Banks are financing development of new perimeters. Dutch volunteers are providing technical assistance in irrigation projects and the Dutch are interested in a longer term involvement in this sector. Africare, Lutheran World Relief and Church World Service are among the larger PVO donors in micro-level irrigation projects.

Beneficiaries: The staff of the various agro/extension/water resource agencies responsible for irrigation activities will be the direct beneficiaries who will pass the new technologies and systems adaptations on to the small-farmer level.

Inputs:	Life of Project ($ 000s)
- Technical Assistance	3,000
- Commodities	1,500
- Participant Training	750
- Other Direct Costs	750

Outputs:	
- Irrigation Co-op Management Units Established	xxx
- Number of hectares of existing perimeters returned to production	xxx
- Irrigation research/extension unit established	xxx
- Farmers benefiting from new technology	xxx

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000	1,000	6,000

Principal Contractors or Agencies

GON Ministry of Agriculture
Undetermined contractors or
Title XII institutions

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RWANDA

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (696) RWANDA

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*BASIC DATA*
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TOTAL POPULATION.  (THOUSANDS,MID 1985)      6,249

PER CAPITA GNP.......... (DOLLARS,1983)        270

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2 3%

ANNUAL RATE OF INFLATION (1973-83) 11.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL 47.4  MALE 45.8  FEMALE 49.0
                       (1970)   TOTAL 48.0  MALE 46.4  FEMALE 49.6

ADULT LITERACY RATE  (1980)   TOTAL  50%  MALE  61%  FEMALE  39%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)  -0.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1981)    46%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       371


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: PULSES ,PLANTAINS ,SWEETPOTATOES      81%   (1984)
  CASH: COFFEE ,TEA ..                                3%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,TEA ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,DAIRY PRODS. ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)     .%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)        99 (79)        134 (80)        152
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)       113 (79)        152 (80)        163
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)       -14 (79)        -17 (80)        -12
DEFENSE EXPENDITURES.
  AS % OF TOTAL EXPENDITURES.. (1978) 12.3% (79) 12.1% (80) 13.1%
  AS % OF GNP................. (1978)  1.6% (79)  1.8% (80)  1.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)              (1982)   128 (83)   111 (84)   107
  EQUIVALENT TO  4.7 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE          ,TEA            ,CASSITERITE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    0  (1984)   16
   AS % OF TOTAL EXPORTS (1981)    0% (1982)    0% (1983)   0%

MAJOR IMPORTS(1983)TEXTILES        ,FOODSTUFFS     ,MACHINES

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   10  (1983)   13  (1984)   10
   AS % OF TOTAL IMPORTS (1981)    4% (1982)    5% (1983)   7%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    -94(82)   -106(83)   -74

TRADING PARTNERS: KENYA ,BELGIUM ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    26.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)     4
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   3.4%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.8% (1978)   3.5% (1985)  3.8%

POPULATION IN URBAN AREAS............(1970)     3%   (1985)    5%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    50    (1985)    54

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)    . %

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 47.2% (15-64YRS) 49.9% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 125

PEOPLE PER PHYSICIAN................ (1980) 31,335

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,INFLUENZA       ,MEASLES
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    88%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  54%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL  83.3   MALE  86.6    FEMALE  80.1
SECONDARY........ (1982)  TOTAL   1.9   MALE   1.8    FEMALE   1.0
POST SECONDARY.. (1980)  TOTAL   0.2   MALE   0.3    FEMALE   0.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     18.9%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY RWANDA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	4.1	7.6	9.2	8.6	12.8	67.4	-	67.4
Loans	-	-	-	-	-	-	-	-
Grants	4.1	7.6	9.2	8.6	12.8	67.4	-	67.4
a. A.I.D. and Predecessor Agencies	1.9	3.6	6.5	5.3	8.3	37.2	-	37.2
Loans	-	-	-	-	-	-	-	-
Grants	1.9	3.6	6.5	5.3	8.3	37.2	-	37.2
(Economic Support Fund)	-	-	-	-	-	1.1		
b. Food for Peace (PL 480)	2.2	3.9	2.6	3.2	4.4	29.6	-	29.6
Loans	-	-	-	-	-	-	-	-
Grants	2.2	3.9	2.6	3.2	4.4	29.6	-	29.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	2.2	3.9	2.6	3.2	4.4	29.6	-	29.6
Emerg. Relief, Econ. Develop. & World Food Program	0.3	0.8	0.5	0.4	0.4	6.3	-	6.3
Voluntary Relief Agencies	1.9	3.1	2.1	2.8	4.0	23.3	-	23.3
c. Other Economic Assistance	*	0.1	0.1	0.1	0.1	0.6	-	0.6
Loans	-	-	-	-	-	-	-	-
Grants	*	0.1	0.1	0.1	0.1	0.6	-	0.6
Peace Corps	*	0.1	0.1	0.1	0.1	0.6	-	0.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.1	1.5	*	0.1	*	1.7	0.9	0.8
Credits or Loans	-	1.5	-	-	-	1.5	0.9	0.6
Grants	0.1	*	*	0.1	*	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	1.5	-	-	-	1.5	0.9	0.6
c. Military Assistance Service Funded (MASF) Grants	0.1	*	*	0.1	*	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	4.2	9.1	9.2	8.7	12.8	69.1	0.9	68.2
Loans	-	1.5	-	-	-	1.5	0.9	0.6
Grants	4.2	7.6	9.2	8.7	12.8	67.6	-	67.6
Other U.S. Government Loans and Grants	-	-	-	-	-	3.9	3.7	0.2
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	3.9	3.7	0.2

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL..........	54.2	40.8	21.2	456.8
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.3	0.0	1.1
IDA	36.3	9.0	16.3	234.7
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	10.4	30.3	4.9	113.7
UNDP	5.3	1.2	0.0	36.8
OTHER-UN	2.2	0.0	0.0	10.3
EEC	0.0	0.0	0.0	60.2

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	9.0	9.0	43.0
Belgium	26.3	21.4	184.6
Germany,Fed. Rep.	25.3	23.8	131.3
France	11.8	9.2	79.2
Other	26.7	30.8	138.5
Total	99.1	94.2	576.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
0.5	N.A.	4.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	1
Eastern Europe	-	-	-
Total	-	-	1

RWANDA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	18,238	5,000	1,238	-	-	-	12,000	-
Total	18,238	5,000	1,238	-	-	-	12,000	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	6,000	6,000	-	-	-	-	-	-
Total	6,000	6,000	-	-	-	-	-	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	6,000	6,000	-	-	-	-	-	-
Total	6,000	6,000	-	-	-	-	-	-

FY 1987
PROGRAM HIGHLIGHTS

-- Reinforce Rwanda's agricultural data collection and analysis capacity with a new Agricultural Statistics and Analysis project (approximately $1.6 million).

-- Continue to demonstrate new agricultural technologies through the adaptive research and extension efforts of the Farming Systems Improvement ($3.8 million) and related projects.

-- Continue to encourage employment generation and promote small and medium size private enterprises through the FY 1985 AFPRP funded PRIME project and the Private Enterprise Development project ($564,000).

-- Continue to provide assistance to the national family planning and child health system.

RWANDA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	5,407	12,265	11,518
Total AID	5,407	12,265	11,518
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	5,712	3,967	5,057
Total P.L. 480	5,712	3,967	5,057
Total AID and P.L. 480	11,119	16,232	16,575

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I	–	–	–	–	–	–
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	13,305	4,223	13,749	3,967	18,100	5,057
Government - to - Government	6,791	1,489	–	–	–	–
Title II Total	20,096	5,712	13,749	3,967	18,100	5,057
Total P.L. 480	20,096	5,712	13,749	3,967	18,100	5,057

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

RWANDA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	5	7	7
PASA[b]	1	1	0
TOTAL	6	8	7

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	3	23	26	19	24	43	25	1	26
Regional[e]	3	30	33	6	13	19	7	4	11
TOTAL	6	53	59	25	37	62	32	5	37

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	11	11	–	10	10	–	–	–
Regional[e]	–	13	13	2	1	3	2	4	6
TOTAL	–	24	24	2	11	13	2	4	6

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

RWANDA

Development Overview

Rwanda is among the poorest countries in the world with a per capita GNP of $275 in 1984. It is also the most densely populated country in Africa. If current population and land use trends continue, Rwanda will exhaust its arable land by the end of the century.

The principal causes of poverty and the leading constraints to development in Rwanda are: (1) continued population pressure on a limited land base; (2) few opportunities for productive employment outside agriculture; (3) a low level of agricultural technology and an incentive structure which restricts the profitability of farming; and, (4) a low absorptive capacity due to inadequate development of Rwanda's human resources.

Rwanda is at a crucial stage in the evolution of its development strategy and programs. The economic policies which served Rwanda well during the 1970s are now being reexamined after the economic crisis of 1981-83 and the shock of the drought in 1984. Since coffee accounts for over half of Rwanda's export income, the precipitous decline in world coffee prices in 1981 not only contributed to a $35 million balance of payments deficit, the first such deficit in many years, but it also held down growth of government revenues. This took place just as major commitments were undertaken in the education sector. The result was the first of the budget deficits that have continued since then.

In order to restore equilibrium without resorting to excessive foreign borrowing, the Government of Rwanda instituted a number of import and price restrictions in March 1983. These austerity measures were effective in stabilizing Rwanda's balance of payment situation in spite of the 1984 drought. Improvements were made in both expenditure control and revenue collection. The impact of the austerity program and the drought has been fairly sharp. The rate of growth of GDP fell from a positive 2.0 percent in 1983 to a minus 1.5 percent in 1984.

The Government has addressed this situation by reexamining its economic goals and objectives. Since early 1985, the Government has been formulating an integrated set of policy measures under an economic recovery program. These measures are, in part, being supported by A.I.D. under the African Economic Policy Reform Program, which aims at increasing off-farm employment through the promotion of small and medium scale enterprises. It is anticipated that these measures will help absorb the pool of labor which cannot find land or employment in agriculture.

U.S. Interests and Objectives

Relations between Rwanda and the United States are excellent. The Government of Rwanda's philosophical orientation and commitment to indigenous and foreign private enterprise as a stimulus to development are compatible with that of the United States. Over the years the United States has become an important bilateral donor in Rwanda.

RWANDA

Rwanda continues to manage its affairs in a manner that successive U.S. administrations have supported. Its human rights record is good, and the country has taken steps towards a more representative government and an improved judicial system. It has supported a many U.S. positions in international fora.

U.S. exports to Rwanda total $6.2 million (1984). U.S. investment is in tea where one American firm, the largest and most successful enterprise in the sector, serves as a model of efficient operations and appropriate incentives to farmers.

Before the economic crisis of 1981-83, Rwanda's economic performance was among the best in Africa. With movement toward stabilization in 1984-85, the country's economic and political performance is still significantly better than its neighbors. It is in the U.S. interest to encourage and promote Rwanda's development goals and economic recovery program to safeguard economic and political stability in the country and the region.

A.I.D. Development Strategy

A.I.D.'s primary objectives in Rwanda are: to raise agricultural productivity and profitability; to promote employment generation and private enterprise development, especially among small and medium enterprises; to provide access to family planning and health services; and to develop Rwanda's human resources. These objectives directly address Rwanda's principle development constraints.

To achieve these objectives, assistance is being provided in the following ways:

Developing research and extension programs to provide the technologies with which agricultural production can be increased. Getting agriculture moving requires new technologies to raise productivity and a growing market for agricultural products. Improved technologies are being demonstrated on farmers fields through practical farming systems research activities. A.I.D.'s program of support to rural enterprises will raise the profitibility of farming by raising demand for agricultural products.

Raising off-farm employment opportunities by improving incentives for private enterprise through policy changes and the provision of resources and management assistance to small and medium scale enterprises. Compared to large enterprises, especially those owned and operated by the Government, smaller firms are less dependent on imported inputs and are more labor intensive. However, the sector faces severe constraints including inadequate agricultural incentives, limited availability of training and management services, and difficult access to bank credit and foreign exchange. A.I.D.'s program of support to small enterprises seeks to promote the following policy measures: changes in the Investment Code to extend its benefits to smaller firms; changes in the administrative procedures of the Guarantee Fund established for smaller firms; divestiture of parastatal operations; decontrol of prices; and, review of the tariff, tax and trade regimes to provide additional stimulus to enterprise development and employment.

Disseminating information, education and services pertaining to family planning and health care for mothers and children. Lowering the rate of population growth is an essential element for maintaining a viable economy.

Developing the human resource base to provide the trained and skilled individuals needed for a growing economy. The Government of Rwanda is becoming increasingly concerned about the growing demand for education and its failure to meet it. A.I.D. will analyse key Rwandan educational institutions in FY 1986 to determine the development constraints in the educational sector.

A.I.D. Program (FYs 1985 - 1986)

A.I.D.'s program emphasizes the agricultural and health sectors and employment generation through private enterprise.

Agricultural sector programs continue to address problems of research and marketing. Research needs are being addressed through several important activities. The Agricultural Survey and Analysis project (696-0115) has conducted a census of the agricultural sector. The data are now providing useful information to Rwandan planners in the preparation of the next Five Year Plan. A 1985 evaluation of the project determined that it was successful in establishing infrastructure and training personnel for the collection and processing of agricultural data. However, the project fell short of its objective in raising Rwandan capability to analyse this data. The evaluation strongly recommended a follow-on activity, focusing specifically on strengthening analytical capability and undertaking special policy related studies. The Farming Systems Improvement Project (FSIP) (696-0110) has begun trials on farmers fields. An important policy decision was made enabling research scientists to supervise extension agents. Two regionally funded projects are complementing FSIP activities in the same geographic area. The Ruhengeri Resource Analysis and Management project (698-0427) is providing information for land use planning and the Communal Afforestation project (698-0424.01) is promoting agroforesty. A 1985 survey in the region indicated that farmers interplanting recommended tree species also reported significantly higher yields of food crops. The final research activity is a component of the Food Storage and Marketing project (696-0116). It attempts to improve storage techniques and develop methods to reduce the cooking time for beans.

A.I.D.'s program in agricultural marketing is being redefined as the cooperative movement is being decentralized and as new opportunities are identified. To this end, a special study was initiated in 1985 under the centrally funded Food Security project with Michigan State University.

The study will examine the role of prices on farmers' marketing decisions and the interaction between farmers and private traders. It is anticipated that this study will find that it is more appropriate to provide assistance in agricultural marketing through the private sector. As the Local Crop Storage (696-0107) and the Food Storage and Marketing (696-0116) projects both come to an end, A.I.D. will continue its support of marketing through grassroots training of cooperative members and the promotion of cooperative unions. The Fish Culture project (696-0112) and the Agricultural Education project (696-0109) will be completed during the program period.

Major employment generation activities are the Private Enterprise Development project (696-0121) and the Policy Reform Inititiatives in Manufacturing and Employment program (PRIME) (696-0127). Under the first activity, Technoserve, a U.S. PVO, has started training local entrepeneurs in financial and other management skills and is providing management advisory services to private enterprises. The PRIME program, and African Economic Policy Reform Program initiative, will provide local currency and foreign exchange credits to small firms. Several policy changes to improve investment incentives and promote the more efficient allocation of industrial resources have been made, including the elimination of the prior deposits previously required for the importation of non-luxury goods.

In the health sector, the major activity is the the Maternal Child Health Care and Family Planning project (696-0113). Started in 1981, this project finances the development of education, training, research, technical assistance and services in support of a national family planning program. Family planning services are currently available in 30 hospitals and 60 health centers. The Combatting Childhood Communicable Diseases project (698-0421.96) assists the Ministry of Public Health in improving its national immunization program and in establishing a nationwide program of oral rehydration therapy for diarrheal diseases. Related to the health sector are the PL 480 Title II food programs implemented by the Catholic Relief Services (CRS) and the Adventist Development Relief Agency (ADRA). These two U.S. PVOs have programs in child feeding, nutrition education and food-for-work.

Requested Year Program (FY 1987)

A.I.D. is requesting a total of $6.0 million in Development Assistance in FY 1987 for Rwanda. One new project, the Agricultural Surveys and Policy Analysis project (696-0127), will build on the success of its predecessor (696-0115). It will continue needed surveys and upgrade analytical skills so information can be used for policy and planning by a broad range of users. Approximately $1.6 million will be obligated for this project in FY 1987. The balance of FY 1987 funding will be used complete funding for the Farming Systems Improvement and the Private Enterprise Development projects.

A.I.D. REPRESENTATIVE: Emerson J. Melaven

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: RWANDA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
LOCAL CROP STORAGE	G	696-0107	79	80	2,573	2,573	2,573	2,047	---	500	---	26
AGRICULTURAL EDUCATION	G	696-0109	79	83	5,126	5,126	5,126	4,012	---	900	---	214
FARMING SYSTEMS IMPROVEMENT	G	696-0110	84	88	13,000	13,000	4,700	416	4,500	1,200	3,800	1,500
FISH CULTURE	G	696-0112	81	82	2,470	2,450	2,450	975	---	800	---	675
RWANDA AGRICULTURE SURVEY AND ANALYSIS	G	696-0115	81	83	3,706	3,706	3,706	2,374	---	800	---	532
FOOD STORAGE AND MARKETING II	G	696-0116	81	83	2,900	2,900	2,900	1,429	---	750	---	621
COOPERATIVE TRAINING CENTER (PVO)	G	696-0119	81	83	935	897	897	654	---	243	---	---
PRIVATE ENTERPRISE DEVELOPMENT (PVO)	G	696-0121	84	88	4,064	4,064	1,000	310	1,500	750	564	750
COOPERATIVE CREDIT AND TRAINING (PVO)	G	696-0122	85	85	1,500	1,500	1,500	---	---	500	---	500
CROPPING SYSTEMS IMPROVEMENT	G	696-0123	83	83	515	515	515	402	---	113	---	---
AGRICULTURAL STATISTICS AND ANALYSIS	* G	696-0127	87	89	---	7,000	---	---	---	---	1,636	500
TOTAL FOR ACCOUNT					36,789	43,731	25,367	12,621	6,000	6,556	6,000	5,318
GRANTS					36,789	43,731	25,367	12,621	6,000	6,556	6,000	5,318
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
MATERNAL CHILD HEALTH / FAMILY PLANNING	G	696-0113	81	94	6,250	6,250	6,250	2,624	---	1,700	---	1,700
TOTAL FOR ACCOUNT					6,250	6,250	6,250	2,624	---	1,700	---	1,700
GRANTS					6,250	6,250	6,250	2,624	---	1,700	---	1,700
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: RWANDA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
POLICY REFORM INITIATIVE IN MFG. & EMPLO	G	696-0126	85	85	12,000	12,000	12,000	---	---	4,000	---	4,500
TOTAL FOR ACCOUNT					12,000	12,000	12,000	---	---	4,000	---	4,500
GRANTS					12,000	12,000	12,000	---	---	4,000	---	4,500
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					55,039	61,981	43,617	15,245	6,000	12,256	6,000	11,518
GRANTS					55,039	61,981	43,617	15,245	6,000	12,256	6,000	11,518
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: RWANDA

Title Agricultural Statistics and Analysis		Funding Source	AG, RD & N 1,636	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,636	Life of Project Funding 7,000
Number 696-0127 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989
						Estimated Completion Date of Project FY1991

Purpose: To strengthen the analytical capability of key Rwandan institutions to enable them to better use information for policy formulation and planning in agriculture and related sectors.

Project Description: One of the factors restraining Rwanda's development is a weak capacity to formulate programs and policies and to determine their impact on development objectives. Rwandans have demonstrated their capability to collect and process a broad range of data on the economy. However, the ability to analyze and present this data in ways that will be useful to policy makers and planners, needs to be strengthened. Also, policy makers need to be made aware of the usefulness of information and analysis in their decision making.

This proposed project will provide technical assistance and training to upgrade the data processing and analysis efforts of the Agricultural Survey and Analysis Unit (ASAU) of the Ministry of Agriculture. The unit was established under the earlier project (Agriculture Survey and Analysis Project 696-0115). A 1985 evaluation strongly recommended a second phase which would focus on increasing the analytical capacity of ASAU and to broaden the scope of the project to include other key Rwandan institutions. The project will provide micro-processing equipment and continue to provide local cost support for salaries and per diem for on-going survey work.

Relationship of Project to A.I.D. Country Strategy: The previous project provided valuable information about rural families and their agricultural activities. However, ASAU needs to broaden the surveys and special studies it undertakes to be able to evaluate the impact of rural development projects and better enable public and private decision making based on analyzed data.

Beneficiaries: The beneficiaries of this project will be the people of Rwanda insofar as better information and improved analytical skills will lead to policies and programs that increase incentives and opportunities in the rural economy. Information about the market orientation of farmers, their propensity to save, invest and consume will be invaluable in the development of strategies to raise off-farm employment and stimulate small enterprises. Policies to strengthen agricultural linkages with non-agricultural sectors need a broad information base, as do private investment and farm cropping decisions.

Host Country and Other Donors: AID has been the primary donor in this activity; however the ASAU has cooperated with the French in processing the Household Budget and Consumption Survey. This survey was originally to be analyzed in France, but ASAU agreed to make its technical resources available to the Ministry of Plan and thus assured that the analyzed data be available in country. In cooperation with FAO, ASAU has also established an early warning and crop forecasting system in the Ministry of Agriculture that was especially useful in determining the magnitude and location of crop shortfalls during the 1984. The World Bank has recently approved a project to strengthen the programming and evaluation sections in the Ministry of Agriculture.

Major Outputs: Surveys and more fully institutionalized capacities to base agricultural policies on analyzed data.

A.I.D. Financed Inputs:	Life of Project ($000)
Grants to the Government of Rwanda to defray to cost of surveys and agricultural data and policy analyses	$7,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	–	–	–	To be selected.
Estimated Fiscal Year 1986	–	–		
Estimated Through September 30, 1986	–	–	–	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,636	5,364	7,000	

AID 370-7 (11-85)

SAO TOME/PRINCIPE

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COUNTRY:  (658) SAO TOME AND PRINCIPE

-------------
*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)         105

PER CAPITA GNP.......... (DOLLARS,1983)         310

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -1.3%

ANNUAL RATE OF INFLATION (1973-83)  8.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 66.0  MALE 64.1  FEMALE 68.0
                        (1970)   TOTAL   .   MALE   .   FEMALE   .

ADULT LITERACY RATE  (1981)   TOTAL  57%  MALE  73%  FEMALE  42%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (    .-    .)     . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    34%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        249


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: ROOTS AND TUBERS ,BANANAS ..          4%    (1984)
  CASH: COCOA BEANS .. ..                           90%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCOA BEANS ,COPRA ..

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    56%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                  (    .)           . ( .)           . ( .)          .
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                  (    .)           . ( .)           . ( .)          .
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                  (    .)         . . ( .)           . ( .)          .
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)    . % ( .)    . % ( .)    . %
  AS % OF GNP................. (    .)    . % ( .)    . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (    .)    . ( .)    . ( .)      .
  EQUIVALENT TO   .  MONTHS OF IMPORTS (    .)
```

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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COCOA          ,COPRA          ,COFFEE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1970)    0  (1973)    1  (1976)    2
   AS % OF TOTAL EXPORTS (    .)    .% (    .)    .% (1976)  28%

MAJOR IMPORTS(1983)FOOD PRODUCTS  ,MACH/ELECT EQ  ,FUELS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1969)    0  (1973)    0  (1977)    1
   AS % OF TOTAL IMPORTS (    .)    .% (    .)    .% (1977)   6%

TRADF BALANCE($ MILLIONS, U.S.)(1981)     -6(82)     -22(83)     -7

TRADING PARTNERS: PORTUGAL ,NETHERLANDS ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (    .)        . %

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
     ($ MILLIONS, U.S.).................................*(    .)      .
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    .)      . %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE ..(1970)   1.7% (1978)   2.7% (1985)  2.0%

POPULATION IN URBAN AREAS...........(1970)    24%   (1985)   38%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    45    (1985)     28

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)     . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 41.2% (15-64YRS) 54.0% (65+ YRS)  4.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  65

PEOPLE PER PHYSICIAN................ (1978)  2,130

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA        ,INTESTINAL INFEC,MALARIA
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    94%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982)  80%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL   111   MALE   112    FEMALE   108
SECONDARY....... (1982)  TOTAL  53.1   MALE    .     FEMALE    .
POST SECONDARY.. (    .)  TOTAL    .   MALE    .     FEMALE    .

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      0.0%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SAO TOME/PRINCIPE

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	0.1	1.8	0.1	0.2	1.0	3.6	-	3.6
Loans	-	-	-	-	-	-	-	-
Grants	0.1	1.8	0.1	0.2	1.0	3.6	-	3.6
a. A.I.D. and Predecessor Agencies	-	1.6	-	-	-	1.9	-	1.9
Loans	-	-	-	-	-	-	-	-
Grants	-	1.6	-	-	-	1.9	-	1.9
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	0.1	0.2	0.1	0.2	1.0	1.7	-	1.7
Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.2	0.1	0.2	1.0	1.7	-	1.7
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.1	0.2	0.1	0.2	1.0	1.7	-	1.7
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.2	0.1	0.2	0.5	1.2	-	1.2
Voluntary Relief Agencies	-	-	-	-	0.5	0.5	-	0.5
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.1	1.8	0.1	0.2	1.0	3.6	-	3.6
Loans	-	-	-	-	-	-	-	-
Grants	0.1	1.8	0.1	0.2	1.0	3.6	-	3.6
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	0.3	0.3	8.1	19.3
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	5.0	5.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.2	3.1	12.0
UNDP	0.3	0.1	0.0	1.9
OTHER-UN	0.0	0.0	0.0	0.4
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	N.A.
Eastern Europe	-	-	5
Total			5

SAO TOME AND PRINCIPE

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	600	600	–	–	–	–	–	–
Total	600	600	–	–	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	300	300						
Total	300	300						

FY 1987
PROGRAM HIGHLIGHTS

-- $300,000 for the incremental funding of the trilateral Agriculture Training project.

SAO TOME AND PRINCIPE

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	–	100	250
Total AID	–	100	250
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	–	100	250

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)						
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government						
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

SAO TOME AND PRINCIPE

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel	–	–	–
AID Direct Hire[a]	–	–	–
PASA[b]	–	–	–
TOTAL	–	–	–

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	5	–	5	10	–	10
TOTAL	–	–	–	5	–	5	10	–	10

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SAO TOME AND PRINCIPE

Development Overview

Sao Tome and Principe became independent in 1975 after 500 years as a Portuguese colony. The country is one of Africa's smallest and poorest and is comprised of two small islands located 275 and 175 miles, respectively, off the northern coast of Gabon. The population, estimated at 100,000, is located mainly on Sao Tome. Per capita income is estimated to be $360. Eighty percent of the labor force (estimated to be 22,500 in 1975) is working in agriculture, 5% in industry and the remaining 15% in services. The population growth rate is estimated to be 2.0%, and life expectancy is 65.6 years, one of the highest in sub-Saharan Africa.

The economy of Sao Tome and Principe is heavily dependent on the principal export of cocoa produced on state-owned plantations which occupy over 80% of the best agricultural land. The balance of the more marginal cultivated land is used for growing subsistence crops, but total production is not adequate to meet the needs of the population and most foods have to be imported.

Under the Portuguese administration, agriculture was directed toward the production of export crops and almost all food was imported from Angola and Europe. After independence the Government of Sao Tome and Principe nationalized all the plantations, resulting in a sudden departure of Portuguese plantation managers and technicians. Sao Tome and Principe suffered a decline in production which, coupled with a depressed world market for their products, dealt the country a severe economic blow which it is still trying to overcome. The Sao Tome and Principe recovery strategy has three components: (1) to increase yields of export crops; (2) to diversify crop production into other export crops in order to make the country less dependent on cocoa; and (3) to increase production of lands of marginal suitability for basic food crops.

U.S. Interests and Objectives

The United States has maintained unbroken diplomatic relations with Sao Tome and Principe since its independence. The government, which is Marxist-oriented, has relied heavily in the past on the Soviet Union for development assistance. While Sao Tome and Principe retains close links with the Soviet Union and its allies, the United States is encouraging the country to adopt a more balanced foreign policy and to develop closer ties with the West, including our NATO ally, Portugal. Through a series of actions over the past two years, the Government of Sao Tome and Principe has indicated its willingness to engage in a political dialogue with the United States. Portugal is re-establishing development links with the country but, because of its own financial situation, does not have sufficient resources to undertake a major program.

SAO TOME AND PRINCIPE

A.I.D. Development Strategy

U.S. assistance is programmed at a very modest annual level. The strategy is to explore with Sao Tome and Principe ways to increase agricultural productivity in cooperation with the Government of Portugal under a trilateral donor arrangement.

A.I.D. Program (FYs 1985 - 1986)

Agriculture Training project (658-0002) was begun in FY 1986. The project is designed to provide basic managerial and agricultural technical training to foremen of cocoa and coffee plantations and first level agricultural and agribusiness managers to help them increase production. The project also will provide commodity support for the construction of training facilities. The Portuguese will provide technical assistance and will supervise the completion of the construction of a training facility.

Requested Year Program (FY 1987)

In FY 1987, A.I.D. is requesting $300,000 for incremental funding for project activities begun in FY 1986.

MISSION DIRECTOR: Laurance Bond (Director, REDSO/WA, and
resident in Abidjan, Ivory Coast)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SAO TOME/PRINCIPE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
TRILATERAL AGRICULTURAL ASSISTANCE		G	658-0002	86	88	---	1,200	---	---	600	100	300	250
TOTAL FOR ACCOUNT						---	1,200	---	---	600	100	300	250
GRANTS						---	1,200	---	---	600	100	300	250
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						---	1,200	---	---	600	100	300	250
GRANTS						---	1,200	---	---	600	100	300	250
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SENEGAL

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COUNTRY:  (685) SENEGAL                            FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1986)      6,755

PER CAPITA GNP.......... (DOLLARS,1983)        440

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -0.5%

ANNUAL RATE OF INFLATION (1973-83)  8.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1960)   3.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 46.7  MALE 45.9  FEMALE 47.5
                      (1970)   TOTAL 42.4  MALE 41.5  FEMALE 43.4

ADULT LITERACY RATE  (1981)   TOTAL   6%  MALE  10%  FEMALE   1%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                               (1975-1984)  -4.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1984)    16%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1984)       175


MAJOR CROP(S)
  SUBSISTENCE: MILLET ,CORN ,RICE                    ARABLE LAND  YEAR
  CASH: PEANUTS ,COTTON ..                                  31%   (1984)
                                                            25%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) PEANUT OIL .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1984)    30%
----------------------------
*CENTRAL GOVERNMENT FINANCES*
----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1981)       413 (82)        442 (83)        444
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1981)       646 (82)        579 (83)        524
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1981)      -233 (82)       -137 (83)       -180
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)   . % ( .)   . % (75) 10.3%
  AS % OF GNP................. (   .)   . % ( .)   . % (75)  2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)               (1982)    24 (83)    23 (84)     4
  EQUIVALENT TO  0.2 MONTHS OF IMPORTS (1982)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PEANUTS         ,PHOSPHATE ROCK ,FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    1  (1983)    2  (1984)    2
   AS % OF TOTAL EXPORTS (1980)   0% (1981)    0% (1982)   0%

MAJOR IMPORTS(1983)FOOD            ,CONSUMERS GOODS,MACHINERY

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   37  (1983)   42  (1984)  104
   AS % OF TOTAL IMPORTS (1980)   6% (1981)    6% (1982)   5%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -378(82)   -362(83)  -313

TRADING PARTNERS: FRANCE ,UNITED KINGDOM ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    88.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)............................... (1983)   208
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  26.2%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   3.0% (1978)   3.1% (1985)  3.3%

POPULATION IN URBAN AREAS............(1970)    30%   (1985)   36%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    51    (1985)    51

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1978)   3.8%

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 44.4% (15-64YRS) 52.7% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 102

PEOPLE PER PHYSICIAN................ (1978) 13,783

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,INFLUENZA        ,MEASLES
DEATH.. (1982) ENTERIC DISEASE ,MALARIA           ,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    97%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  42%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  47.3   MALE  57.3    FEMALE  37.4
SECONDARY....... (1981)  TOTAL  13.3   MALE  17.0    FEMALE   8.2
POST SECONDARY.. (1980)  TOTAL   2.2   MALE   3.6    FEMALE   0.8

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY **SENEGAL**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	27.0	35.5	30.9	33.1	51.2	274.2	0.6	273.6
Loans	7.0	7.0	7.0	7.0	-	1.6	0.6	1.0
Grants	20.0	28.5	23.9	26.1	51.2	272.6	-	272.6
a. A.I.D. and Predecessor Agencies	10.0	14.8	16.2	19.1	34.6	146.8	-	146.8
Loans	-	-	-	-	-	-	-	-
Grants	10.0	14.8	16.2	19.1	34.6	146.8	-	146.8
(Economic Support Fund)	-	-	-	5.0	10.0	15.1		
b. Food for Peace (PL 480)	15.1	18.6	12.7	12.2	14.7	101.9	0.6	101.3
Loans	7.0	7.0	7.0	7.0	-	1.6	0.6	1.0
Grants	8.1	11.6	5.7	5.2	14.7	100.3	-	100.3
Title I - Total Sales Agreements	7.0	7.0	7.0	7.0	-	1.6	0.6	1.0
Repayable in U.S. Dollars - Loans	7.0	7.0	7.0	7.0	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.6	0.6	1.0
Title II - Total Grants	8.1	11.6	5.7	5.2	14.7	100.3	-	100.3
Emerg. Relief, Econ. Develop. & World Food Program	3.1	4.2	0.6	0.3	9.3	45.6	-	45.6
Voluntary Relief Agencies	5.0	7.4	5.1	4.9	5.4	54.7	-	54.7
c. Other Economic Assistance	1.9	2.1	2.0	1.8	1.9	25.5	-	25.5
Loans	-	-	-	-	-	-	-	-
Grants	1.9	2.1	2.0	1.8	1.9	25.5	-	25.5
Peace Corps	1.9	2.1	2.0	1.8	1.9	25.5	-	25.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.2	0.2	0.3	0.4	2.5	14.7	8.1	6.6
Credits or Loans	-	-	-	-	-	8.0	8.1	0.1-
Grants	0.2	0.2	0.3	0.4	2.5	6.7	-	6.7
a. MAP Grants	-	-	-	-	2.0	4.6	-	4.6
b. Credit Financing - FMS	-	-	-	-	-	8.0	8.1	0.1-
c. Military Assistance Service Funded (MASF) Grants	0.2	0.2	0.3	0.4	0.5	2.1	-	2.1
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	27.2	35.7	31.2	33.5	53.7	288.9	8.7	280.2
Loans	7.0	7.0	7.0	7.0	-	9.6	8.7	0.9
Grants	20.2	28.7	24.2	26.5	53.7	279.3	-	279.3
Other U.S. Government Loans and Grants	-	-	-	-	-	7.7	10.4	2.7-
a. Export-Import Bank Loans	-	-	-	-	-	7.7	10.4	2.7-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL........	63.9	79.6	37.5	904.1
IBRD	0.0	0.0	0.0	158.9
IFC	0.0	3.2	0.0	36.0
IDA	32.2	62.1	24.0	372.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	12.8	13.0	13.5	73.0
UNDP	6.7	1.3	0.0	43.6
OTHER-UN	1.2	0.0	0.0	7.4
EEC	11.0	0.0	0.0	212.6

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	33.0	46.0	194.0
France	97.9	87.9	589.8
Germany,Fed. Rep.	18.1	19.7	80.4
Canada	15.3	20.3	75.8
Japan	6.3	15.3	40.7
Other	23.3	17.9	103.3
Total	193.9	207.1	1,084.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
11.5	N.A.	81.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	10
Eastern Europe	-	-	35
Total	-	-	45

SENEGAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other a/
1985								
Loans	–	–	–	–	–	–	–	–
Grants	37,104	–	–	–	–	–	15,000	22,104
Total	37,104	–	–	–	–	–	15,000	22,104
1986								
Loans	–	–	–	–	–	–	–	–
Grants	30,484	–	–	–	–	–	11,484	19,000
Total	30,484	–	–	–	–	–	11,484	19,000
1987								
Loans	–	–	–	–	–	–	–	–
Grants	35,000	–	–	–	–	–	15,000	20,000
Total	35,000	–	–	–	–	–	15,000	20,000

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- Economic and sectoral policy change through an Economic Support Fund program emphasis in favor of private sector – $15.0 million. (ESF)
- Agricultural input and distribution focused on increasing private sector inputs, and expansion in seed multiplication enterprises – $9.0 million. (SDP)
- Reforestation and environmental rehabilitation through village tree planting and conservation – $2.5 million. (SDP)
- Expansion and decentralization of health and family planning services – $5.8 million. (SDP)
- Application of new technology and management practices leading to increased production – $2.6 million. (SDP)
- Continuation of P.L. 480 Title I ($5.0 million) to reinforce the shift of economic functions from the public sector to the private sector. (Title I)

SENEGAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	-	-
Grants	24,292	40,413	41,369
Total AID	24,292	40,413	41,369
P.L. 480 **			
Title I	-	5,500	5,000
(of which Title III is)	(-)	(-)	(-)
Title II	6,661	3,443	2,831
Total P.L. 480	6,661	8,943	7,831
Total AID and P.L. 480	30,953	49,356	49,200

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	--	--	--	--	--	--
Rice	--	--	18,000	5,500	18,000	5,000
Feedgrains	--	--	--	--	--	--
Vegoil	--	--	--	--	--	--
Non-food	--	--	--	--	--	--
Title I Total	--	--	18,000	5,500	18,000	5,000
(of which Title III is)	--	--	--	--	--	--
Title II [1]						
Voluntary Agencies	20,587	4,812	16,228	3,443	13,535	2,831
Government - to - Government	14,000	1,849	--	--	--	--
Title II Total	34,587	6,661	16,228	3,443	13,535	2,831
Total P.L. 480	34,587	6,661	34,228	8,943	31,535	7,831

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

SENEGAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	25	23	23
PASA[b]	0	0	0
TOTAL	25	23	23

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
U.S. PARTICIPANTS IN TRAINING[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	40	55	95	50	60	110	65	70	135
Regional[e]	16	23	39	30	52	82	47	60	107
TOTAL	56	78	134	80	112	192	112	130	242

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
THIRD COUNTRY PARTICIPANTS IN TRAINING[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	5	5	0	20	20	5	25	30
Regional[e]	0	9	9	5	20	25	10	14	24
TOTAL	0	14	14	5	40	45	15	39	54

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SENEGAL

Development Overview

Senegal is recovering from an unprecedented economic crisis resulting from a combination of successive drought years, declines in international prices of two of Senegal's major exports (peanuts and phosphates), the OPEC-initiated increases in international oil prices of the mid and late 1970s, and a host of counter-productive economic policies earlier espoused by the Government of Senegal (GOS) over the quarter century since independence. A rapid increase in population and erratic agricultural production has led to growing national food deficits, while inappropriate labor laws and business monopoly practices have constrained potential industrial growth. Despite this year's good rainfall, the problem of dealing with drought and desertification remains serious.

As evidenced by its two major policy statements in 1984, New Agricultural Policy (NAP) and the Medium and Long-Term Economic Program, the GOS is striving to revise its economy by tightening fiscal policy, restricting credit, reforming the parastatals, and reducing the government's direct economic role. The New Agricultural Policy aims at (a) reduction of the role of the parastatal rural development agencies, (b) increased efficiency in the supply of agricultural inputs, (c) alternative crop production strategies to those followed previously, (d) a greater share for rural development in the allocation of investment resources, and (e) environmental protection and conservation. The Medium and Long-Term Economic Program aims at (a) improving fiscal performance and management of government agencies and public sector enterprises, (b) strengthening the programming and administration of public investments, and (c) supporting economic reform by providing improved incentives to private sector activity in agriculture, the fishing industry, and tourism.

The Diouf administration has moved energetically during the last three years, primarily in connection with IMF standby agreements, to introduce a number of austerity measures aimed at reducing financial imbalances in the short term. These measures included cutting public employment and government subsidies and reducing consumer subsidies by raising the prices of basic commodities, abolishing two rural developent agencies, (RDAs) and stabilizing the public wage bill.

U.S. Interests and Objectives

Senegal is a rarity in the Third World: a relatively open, democratic, political system with a free press and a strong attachment to the rule of law and human rights at home and abroad. The country's foreign policy is moderate and pro-Western with a record of positive influence in international fora out of proportion to its power and resource base. Senegal has consistently opposed Communist and Libyan interference in Africa and made its sea and airport facilities available to the United States and other friendly powers. The United States Government is particularly interested in supporting the moderate leadership of President Diouf, who is also Chairman of the Organization of African Unity (OAU).

SENEGAL

A.I.D. Development Strategy

A.I.D.'s current development strategy for Senegal has attempted to address Senegal's fundamental problems: a complex centralized system involving the State both in supplying services and in marketing monopolies that are costly to administer and that discourage farm production and off-farm enterprises; a burgeoning population with a high level of illiteracy, suffering from generally poor health and underemployment; and declining fuelwood reserves and soil fertility. Our strategy addresses these constraints, in part, at the non-project level through support for President Diouf's economic reform program and at the project level through delivery of improved technology and services. Our current policy dialogue and agricultural program incorporate two principal conclusions:

-- Senegal's general economic position has taken a precipitous downward turn. The A.I.D. program must take account of Senegal's severe balance of payments and liquidity crisis; and

-- Senegal's parastatal rural development agencies, cooperatives and rural credit systems are in serious difficulty. A.I.D. supports efforts to reform and reorganize this rural infrastructure, and to find alternative (preferably private) institutions through which to support farmers and rural enterprises.

A.I.D.'s agriculture strategy has four objectives: 1) continuing government decontrol and commercialization of the rural production process; 2) promoting production through improved agronomic practices; 3) enhancing natural resource management to combat the accelerating deterioration of soil and forestry resources engendered by the continuing drought situation; and 4) increasing land under irrigation.

A.I.D.'s health strategy, continues to focus on: 1) increasing the rural population's ability to raise per-capita food production; and 2) decreasing population growth to a rate consistent with agricultural and economic realities in Senegal. A recent evaluation of the Family Health Project documented the significant progress which has been made in improving access to family planning services and the corresponding increase in contraceptive usage. The main components of A.I.D's health and population projects consist of: 1) assistance for the model self-supporting village health system -- to improve the health conditions of agricultural producers -- with a view to the system's extension throughout the country; and 2) much expanded support for burgeoning Senegalese family planning activities in both urban and rural areas.

A.I.D.'s strategy emphasizes non-project aid using PL 480 Title I and the Economic Support Fund (ESF) as essential elements of the on-going policy reform program with the GOS. Almost 60 percent of the FY 1986 and FY 1987 program will be non-project assistance designed: 1) to ease budgetary difficulties; and 2) to achieve further policy change aimed at accelerating the structural reform program, in conjunction with the IMF, the World Bank, and France. The remaining portion of earlier PL 480 Title III proceeds continues to provide local currencies for productive undertakings.

A.I.D. Program (FYs 1985 - 1986)

Economic Stabilization Support and Policy Reform: The FY 85 ESF program, while enabling partial recapitalization of the banking sector, required the GOS to begin implementation of its agricultural reform program. The FY 86 ESF will build upon the reforms achieved in earlier programs and will be used where appropriate toward offsetting GOS expenses associated with institutional and policy change in the agricultural sector. Immediate objectives are: (a) restructuring the regional development agencies involved in cereals production and (b) fundamentally reorganizing the distribution and marketing of cereals inputs and outputs. The long-run goals are (a) facilitating access of private sector producers including small and medium-size enterprises to bank credit, (b) adjusting the land tenure system to facilitate reforestation. The A.I.D. projects are intended to support the GOS program of economic reform and structural change to which the World Bank, IMF, the French and other donors also contribute. A.I.D. has taken the lead in the agricultural sector with the following new projects: P.L. 480 Title I, the Agricultural Production Support project and ESF IV.

Project Assistance: Program project assistance financed through the Sahel Development Program is continuing to support activities in agriculture, rural health and nutrition, and soil and forestry conservation and will increasingly involve the development of the private sector through indigenous and international PVOs.

The Casamance Regional Development Project (685-0205), strengthens the government's extension and research services in one of the most promising rainfed areas of the country. Through applied research, extension, small anti-salt water intrusion dams, rural works, and women's development activities, rice and maize production yields of 2.5 tons and 2.0 tons per hectare have been achieved (vs 1.4 for rice and 1.1 for corn outside the program.)

The Agriculture Production Support program (685-0269), proposed for initial funding in FY 1986, will reinforce the GOSs structural reform program by strengthening input supply channels through (a) training programs, (b) improved techniques for input supply and related services, and (c) importation of raw materials (fertilizer, parent seed stock, equipment) for local production and sale.

SENEGAL

The Bakel Small Irrigated Perimeters Project (685-0208), a pilot program for irrigated agricultural production on the Senegal River is in the process of raising the cultivated hectarage to 1,100 hectares and has produced yields of six to eight tons of rice per hectare as opposed to the 2.5 ton/hectare under traditional techniques. An evaluation conducted by A.I.D.s Bureau for Policy and Program Coordination has noted the particularly high farmer participation in the project and the significant improvement in yields.

The Irrigation and Water Management Project (685-0280), which began in FY 1985, will extend the Bakel pilot program to support the establishment of up to 1,500 additional hectares of irrigated production in the Senegal River Valley and will raise the economic and technical performance of the village irrigation systems. The project will maximize advantages of the new regime of water control that will be possible upon completion of the Diama Dam in December 1985 and the Manantali Dam in early 1987.

A.I.D. also continues to be a major donor to Senegal's agricultural research program. Under the Agriculture Research and Planning Project (685-0223), Michigan State University has helped Senegal's Agriculture Research Institute (ISRA) establish farming systems research teams in the three principal growing zones. In addition, A.I.D.'s OMVS Senegal River Agricultural Research Project (685-0957 and 625-0957) is intended to strengthen OMVS's planning, coordination and expansion of research on irrigated crops in the Senegal River Basin.

The Reforestation and Soil Conservation Project (685-0283) represents an initial effort to launch a national campaign which will focus on the planting of selected varieties of trees and promote incentives for villages that actively participate in the program.

Family Health Phase II (685-0248), a follow-on project to Family Health Phase I (685-0217) will continue to support health and family plannning activities reflecting the GOS policy of decentralization and greater village participation in health services. An important goal of the project is the provision of family planning services to 15 percent of eligible couples. This project will expand health and family planning services from urban areas to rural areas. By the end of the project, it is expected that family planning services will be available in all of Senegal's regional health centers and 25 percent of village health posts.

Through a contract with Texas Tech. University new management training modules are being developed at the National School of Applied Economics (ENEA) under the Rural Management Training Project (685-0256).

The Community and Enterprise Development Project (685-0260), which began in FY 1984, uses indigenous as well as international private and voluntary organizations (PVOs) to strengthen village producer groups and small off-farm enterprises in the Sine Saloum Region through training (including functional literacy) and credit.

The Transfer of Technology Project (685-0281), which began in July 1985, is an umbrella project which finances training, consultant and pilot project activities to introduce new technology and to improve management performance among public and private organizations. Emphasis is placed on transfering technologies and management techniques which are important but which are too small to be treated as separate projects.

P.L. 480, Title II will continue at relatively constant levels, with nutritional dietary supplements for over 200,000 mothers and children. A Title II multiyear evaluation guides current and proposed Title II assistance.

Requested Year Program (FY 1987)

ESF funding requested for FY 1987 will provide critically needed budgetary support to the Senegalese Government with initial disbusements tied directly to continued policy change within the agricultural sector. In subsequent years the Mission expects to introduce reform measures in the areas of reforestation, family planning, bank credit and land tenure.

Sahel Development Program funds will be used in FY 1987 for the continuation of projects started in FY 1986. These projects include agricultural production support, reforestation and environmental rehabilitation and expansion of health and family planning services. There will also be a $5.0 million P.L. 480 Title I program in FY 1987 to continue the shift of economic functions from the public sector to the private sector.

MISSION DIRECTOR: Sarah Jane Littlefield

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SENEGAL

CP 87

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SAHEL DEVELOPMENT PROGRAM													
RANGE AND LIVESTOCK DEVELOPMENT I		G	685-0202	75	83	2,400	2,400	2,400	2,273	---	100	---	27
CASAMANCE REGIONAL DEVELOPMENT		G	685-0205	79	84	23,710	23,710	23,710	19,033	---	2,077	---	2,600
SMALL IRRIGATED PERIMETERS		G	685-0208	77	84	3,999	3,999	3,999	3,342	---	200	---	457
FAMILY HEALTH SERVICES		G	685-0217	79	84	2,548	2,548	2,548	2,088	---	460	---	---
SAED TRAINING		G	685-0219	78	82	4,530	4,530	4,530	3,629	---	901	---	---
YOUTH JOB DEV-YMCA/ORGN REHAB TRNG(PVO)		G	685-0222	79	83	3,285	3,285	3,285	3,205	---	80	---	---
AGRICULTURAL RESEARCH AND PLANNING		G	685-0223	81	85	5,445	5,350	5,350	3,239	---	1,200	---	911
SENEGAL CEREALS PRODUCTION PHASE II		G	685-0235	80	83	7,700	7,700	7,700	5,421	---	1,600	---	679
RURAL HEALTH SERVICES II		G	685-0242	84	85	9,225	9,225	9,225	1,399	---	2,000	---	2,500
FAMILY HEALTH SERVICES II		G	685-0248	85	89	20,000	20,000	9,450	---	---	3,000	5,855	3,200
AGRICULTURE DEVELOPMENT ASSISTANCE		G	685-0249	83	83	5,000	5,000	5,000	4,723	---	277	---	---
MILLET PROCESSING		G	685-0250	81	85	900	900	900	616	---	284	---	---
RURAL MANAGEMENT (ENEA)		G	685-0256	82	84	3,365	3,365	3,365	1,231	---	1,200	---	400
COMMUNITY ENTERPRISE DEVELOPMENT (PVO)		G	685-0260	84	84	9,000	9,000	9,000	134	---	3,000	---	3,500
AGRICULTURE PRODUCTION SUPPORT		G	685-0269	86	90	---	20,000	---	---	10,460	6,500	9,040	5,000
SMALL PROJECT ASSISTANCE-AID/PC		G	685-0270	83	87	200	640	120	98	40	50	40	52
IRRIGATION AND WATER MANAGEMENT		G	685-0280	85	86	5,000	8,500	5,000	---	3,000	2,500	---	2,000
TECHNOLOGY TRANSFER SERVICES		G	685-0281	85	91	5,000	5,000	2,200	---	---	1,500	2,565	2,000

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SENEGAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		*PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
REFORESTATION AND SOIL CONSERVATION		G	685-0283	86	87	---	8,000	---	---	5,500	1,000	2,500	2,000
ORVS AGRICULTURAL RESEARCH II		G	685-0957	84	88	3,396	3,595	2,043	---	---	1,000	---	1,043
TOTAL FOR ACCOUNT						114,903	146,747	99,825	50,131	19,000	28,929	20,000	26,369
GRANTS						114,903	146,747	99,825	50,131	19,000	28,929	20,000	26,369
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
ECONOMIC SUPPORT FUND III		G	685-0287	85	85	15,000	15,000	15,000	15,000	---	---	---	---
ECONOMIC SUPPORT FUND IV		G	685-0288	86	86	---	11,486	---	---	11,486	11,486	---	---
ECONOMIC SUPPORT FUND V	*	G	685-0289	87	87	---	15,000	---	---	---	---	15,000	15,000
TOTAL FOR ACCOUNT						15,000	41,484	15,000	15,000	11,484	11,486	15,000	15,000
GRANTS						15,000	41,494	15,000	15,000	11,494	11,486	15,000	15,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						129,903	188,231	114,825	65,131	30,484	40,413	35,000	41,369
GRANTS						129,903	138,231	114,825	65,131	30,484	40,413	35,000	41,369
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SENEGAL

PLANNED PROGRAM SUMMARY SHEET

Title ECONOMIC SUPPORT FUND V		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 15,000	Life of Project Funding 15,000
Number 685-0289 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1987
						Estimated Completion Date of Project FY 1987

Purpose: Assist the Government of Senegal (GOS) to maintain economic, political and social stability while fostering structural and agricultural reforms needed to remedy the underlying problems of the economy.

Project Background: Since 1978 the aggregate impact of adverse external factors (semi-drought weather conditions resulting in poor crop harvest, oil price increases, appreciation of the dollar against the CFA, etc.) and inappropriate GOS policies and priorities have resulted in placing Senegal's basic stability at risk. The resulting macro-economic crisis has delayed the progress in attaining longer-term development objectives. Shortage of public resources has led to: (1) a marked decline in local and recurrent cost funding for projects; (2) a reduction in the GOS's ability to provide basic services; (3) a crowding-out effect in domestic capital markets as the GOS has increasingly resorted to borrowing to meet urgent needs; and (4) an inability of the GOS to service external public debt. In response, Senegal has announced a New Agricultural Policy aimed at reducing the GOS role in management of the agricultural sector in favor of increased private initiative. Additionally, at a Senegal Consultative Group meeting held in December 1984, the GOS presented a medium and long-term program to the country's donors which outlined, inter alia, a reform plan to improve fiscal performance and public sector management. The GOS has already begun to reduce the role of the government Rural Development Agencies (RDAs) and has issued termination notices to 1,500 employees of RDAs.

A $15.0 million grant is proposed for FY 1987 as budgetary assistance in implementation of the structural and sectoral reform. The uses of equivalent amounts of local currency funds made available by the GOS will focus on recapitalization of the banking system. Conditionality under the grant will require the GOS to implement specific policy reforms.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. objective in Senegal is to assist the country to attain food self reliance by the year 2000. This program requires Senegal to continue making the difficult policy and organizational decisions necessary to attain this objective by stabilizing the economy and stimulating agricultural production.

Host Country and Other Donors: An agricultural policy and institutional reform package was developed by the GOS in late Calendar Year 1983 and an agricultural policy reform package was subsequently presented to the major donors at the Senegal Consultative Group (CG) meeting in December 1984 which will focus on a market oriented pattern of activity rather than domination of operations by parastatal organizations. These changes have already begun with announced reductions of staffing of several Rural Development Agencies. Additionally, to encourage greater domestic cereals production, producer prices of food crops were raised in 1984, and restrictions on purchase, storage and sale of cereal crops were removed; the price of imported vegetable oil was increased in August 1984, and the price of imported rice was raised by 23 percent in January 1985. Other donors assisting the GOS in economic stabilization are France, Saudi Arabia, the IMF and the World Bank. They, like the U.S., are conditioning their assistance on the GOS's implementation of certain financial and agricultural sector reforms.

Beneficiaries: Farmers will benefit from structural reforms which promote more efficient provision of agricultural services. In addition, the equivalent of $15.0 million in local currency will be made available by the GOS to recapitalize the banking system.

Outputs	Amounts ($000)
Policy changes in the agricultural sector	$15,000

A.I.D. Inputs	
Budgetary Support to GOS	15,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	None
Estimated Fiscal Year 1986	-	-	▨	
Estimated Through September 30, 1986	-			
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	15,000	-	15,000	

SEYCHELLES

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (662) SEYCHELLES

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)         66

PER CAPITA GNP.......... (DOLLARS,   .)          .

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.4%

ANNUAL RATE OF INFLATION (    .- .)   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL TO.2  MALE 68.3  FEMALE 72.2
                       (1970)   TOTAL    .  MALE    .  FEMALE    .

ADULT LITERACY RATE  (1971)   TOTAL  58%  MALE  56%  FEMALE  60%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (    .-    .)     . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(    .)      .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981)      1,276


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: COCONUTS .. ..                             65%   (1984)
  CASH: COCONUTS ,CINNAMON ..                             87%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COPRA ,CINNAMON ,COCONUTS

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,RAW SUGAR ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1977)    20%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1976)          17 (77)          24 (78)           28
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1976)          18 (77)          22 (78)           32
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1976)          -0 (77)           3 (78)           -4
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)   . % ( .)    . %
  AS % OF GNP................. (    .)   . % ( .)   . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)    13 (83)    10 (84)     5
  EQUIVALENT TO  1.1 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)CINNAMON       .COPRA          .FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    3  (1984)    0
   AS % OF TOTAL EXPORTS (1981)    5% (1982)    6% (1983)  56%

MAJOR IMPORTS(1983)MANUFAC'D GOODS,FOOD           .TOBACCO & BEVGS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    3  (1983)    3  (1984)    3
   AS % OF TOTAL IMPORTS (1981)    5% (1982)    3% (1983)    4%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    -75(82)    -79(83)    -69

TRADING PARTNERS: UNITED KINGDOM ,BAHRAIN ,SOUTH AFRICA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    48.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983)     3
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  54.6%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.6% (1978)   0.9% (1985)  1.2%

POPULATION IN URBAN AREAS.... .......(1970)    27%   (1980)   37%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    31    (1985)     25

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (    .)    . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 36.6% (15-64YRS) 57.2% (65+ YRS)  6.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  14

PEOPLE PER PHYSICIAN................ (1979)  2,322

MAJOR CAUSES OF
DISEASE (1980) GONORRHEA       .MUMPS             .SYPHILIS
DEATH.. (1969) SYPHILIS        .FLU & PNEUMONIA .HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (    .)     .%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  83%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL    153   MALE   155    FEMALE   151
SECONDARY....... (1982)  TOTAL   33.5   MALE  29.1    FEMALE  38.0
POST SECONDARY.. (1981)  TOTAL    2.3   MALE   0.6    FEMALE   4.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY **SEYCHELLES**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	1.0	1.2	2.4	2.4	2.5	11.6	-	11.6
Loans	-	-	-	-	-	-	-	-
Grants	1.0	1.2	2.4	2.4	2.5	11.6	-	11.6
a. A.I.D. and Predecessor Agencies	0.6	0.5	2.0	2.0	2.0	7.8	-	7.8
Loans	-	-	-	-	-	-	-	-
Grants	0.6	0.5	2.0	2.0	2.0	7.8	-	7.8
(Economic Support Fund)	-	-	2.0	2.0	2.0	6.0		
b. Food for Peace (PL 480)	0.2	0.5	0.3	0.3	0.3	2.7	-	2.7
Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.5	0.3	0.3	0.3	2.7	-	2.7
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.2	0.5	0.3	0.3	0.3	2.7	-	2.7
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	0.2	0.5	0.3	0.3	0.3	2.7	-	2.7
c. Other Economic Assistance	0.2	0.2	0.1	0.1	0.2	1.1	-	1.1
Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.2	0.1	0.1	0.2	1.1	-	1.1
Peace Corps	0.2	0.2	0.1	0.1	0.2	1.1	-	1.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1.0	1.2	2.4	2.4	2.5	11.6	-	11.6
Loans	-	-	-	-	-	-	-	-
Grants	1.0	1.2	2.4	2.4	2.5	11.6	-	11.6
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	0.0	8.3	12.2	43.7
IBRD	0.0	0.0	6.2	6.2
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	8.0	6.0	34.2
UNDP	0.0	0.2	0.0	2.8
OTHER-UN	0.0	0.1	0.0	0.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	2.0	3.0	7.0
United Kingdom	6.1	4.2	46.0
France	4.3	5.1	33.1
Germany,Fed. Rep.	0.7	0.2	5.3
Australia	0.9	0.1	3.4
Other	0.7	1.2	3.8
Total	14.7	13.8	98.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
0.6	N.A.	7.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	20	30
Eastern Europe	-	-	-
Total	-	20	30

SEYCHELLES

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	2,000	-	-	-	-	-	2,000	-
Total	2,000	-	-	-	-	-	2,000	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	1,914	-	-	-	-	-	1,914	-
Total	1,914	-	-	-	-	-	1,914	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	2,500	-	-	-	-	-	2,500	-
Total	2,500	-	-	-	-	-	2,500	-

FY 1987
PROGRAM HIGHLIGHTS

- $2.5 million Economic Support Fund grant to finance the importation of essential commodities.

- $0.2 million for PL-480 Title II commodities.

SEYCHELLES

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	–	–	–
Grants	631	1,997	1,914
Total AID	631	1,997	1,914
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	255	210	204
Total P.L. 480	255	210	204
Total AID and P.L. 480	886	2,207	2,118

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	829	255	703	210	712	204
Government - to -	–	–	–	–	–	–
Government	–	–	–	–	–	–
Title II Total	829	255	703	210	712	204
Total P.L. 480	829	255	703	210	712	204

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

SEYCHELLES

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel	–	–	–
AID Direct Hire[a]	–	–	–
PASA [b]	–	–	–
TOTAL	–	–	–

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY85 (Actual)			FY86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	8	8		–	6		–	6	
Regional[e]	–	–		–	–		–	–	
TOTAL	8	8		–	6		–	6	

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SEYCHELLES

Development Overview

Seychelles is a middle-income country ($1,350 GNP per capita income in 1983) with a population of about 65,000 persons, 88% of whom live on the island of Mahe. Health conditions are similar to Western developed nations. The Seychelles' development problems are many: (1) a population growing faster than employment opportunities; (2) excessive dependence on tourism and bilateral and multilateral assistance flows, (3) limited physical resources, (4) increasing government control of the economy, including several recent nationalizations, which will tend to undermine long-term broad-based economic growth in the Seychelles, and (5) limited land area suitable for agriculture production.

Tourism is the most important sector in the economy. At its peak in 1980, tourism contributed about 50% of Gross Domestic Product (GDP), 20% of all formal employment, 25% of all government revenue and 90% of foreign-exchange earnings from exports and goods and services. Accordingly, when the tourist industry entered a period of decline in the early 1980's, the impact on the economy was severe. Recently, the tourist industry has begun to recover. However, Seychelles' economic prospects for the near future are likely to remain dim. The overall government deficit in 1983 amounted to 21% of total expenditures which required a significant increase in borrowing from the domestic banking system. The balance of payments situation was also difficult. In spite of an impressive effort to reduce imports and increase receipts from tourism, a decline in net official capital inflows has led to an overall deficit.

The Government of Seychelles (GOS) realizes that it faces a difficult economic future and is attempting to diversify the economy and increase self-sufficiency in foodstuffs. Toward this end the GOS has undertaken an effort to promote the fishing industry, a program which forms the investment centerpiece of the GOS 1984-88 Plan. This program, which has attracted external support, is expected to increase foreign exchange earnings from fisheries several-fold by the early 1990s and to expand the sector's contribution to GDP from 3% to 10%.

U.S Interests and Objectives

The U.S. interests in the Seychelles relate to its strategic location in the Indian Ocean and the presence of a U.S. satellite tracking station on the island. A stable socio-economic environment is compatible with U.S. interests.

A.I.D. Development Strategy

The Government of Seychelles faces severe budgetary and balance of payments constraints. A.I.D.'s strategy is to help ease those constraints by providing balance of payments support and use of the generated local currencies to support development activities, primarily infrastructure, which are included in the GOS development plan.

A.I.D. Program (FYs 1985-1986)

In FY 1985, $2.0 million was provided to finance the importation of petroleum to operate the island's electric generating plant. In FY 1986, 1.914 million is planned for this purpose.

Maternal/child health and school feeding programs are also underway under the auspices of Catholic Relief Services (CRS), using P.L. 480 Title II resources. Approximately $210,000 in such commodities is being provided in FY 86.

Requested Year Program (FY 1987)

A.I.D. requests a $2.5 million Economic Support Fund grant to finance petroleum imports. P.L. 480 Title II commodities valued at $204,000 will also be provided.

DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE, EAST AND SOUTHERN AFRICA (REDSO/ESA): John W. Koehring (Resident in Nairobi)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SEYCHELLES

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM IV		G	662-0006	95	95	2,000	2,000	2,000	603	---	1,397	---	---
COMMODITY IMPORT PROGRAM V		G	662-0007	96	86	---	1,914	---	---	1,914	600	---	1,314
COMMODITY IMPORT PROGRAM VI	*	G	662-0008	87	87	---	2,500	---	---	---	---	2,500	600
TOTAL FOR ACCOUNT						2,000	6,414	2,000	603	1,914	1,997	2,500	1,914
GRANTS						2,000	6,414	2,000	603	1,914	1,997	2,500	1,914
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						2,000	6,414	2,000	603	1,914	1,997	2,500	1,914
GRANTS						2,000	6,414	2,000	603	1,914	1,997	2,500	1,914
LOANS						---	---	---	---	---	---	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SEYCHELLES

PLANNED PROGRAM SUMMARY SHEET

Title Commodity Import Program (CIP VI)		Funding Source 2,500	AG, RD & N -	Health -	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 2,500		Life of Project Funding 2,500
Number 662-0008 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population -	ED. & HR -	Sel. Act. -	Initial Obligation FY 1987	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1988

Purpose: To help the Government of Seychelles (GOS) improve its balance of payments position.

Project Description: Grant funds will continue to be made available to finance the importation of medium fuel oil for electricity generation, as a continuation of the ESF assistance begun in FY 1982. The local currency generated from the sale of this petroleum will be deposited in a special account and will be used to improve local productive capabilities. As in prior years, infrastructure improvements such as road maintenance, and social services such as rural health systems, will also be financed by local currency generations.

Relationship of Project to A.I.D. Country Strategy: This grant-funded program of import support is consistent with A.I.D.'s strategy to ease the GOS balance of payments constraints.

Host Country and Other Donors: The Project will be financed solely by A.I.D. A number of other donors--notably Britain and France--are currently providing similar balance of payments assistance. It is expected that such assistance will grow (in terms of both levels and donors) as the stabilization exercise continues.

Beneficiaries: The majority of Seychelles' people will benefit from the economic stability which this grant supports. They will also benefit from the project's local currency investments in infrastructural improvements.

Major Outputs:

Improved road infrastructure and rural health systems.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Commodity grant	2,500

U. S. FINANCING (In thousands of dollars)				Principal Contractors or Agencies
	Obligations	Expenditures	Unliquidated	To be selected
Through September 30, 1985	-	-	-	
Estimated Fiscal Year 1986	-	-	▨	
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	2,500	-	2,500	

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SIERRA LEONE

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COUNTRY:  (636) SIERRA LEONE                              FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)       3,883

PER CAPITA GNP.......... (DOLLARS,1983)         330

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.1%

ANNUAL RATE OF INFLATION (1973-83) 14.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1969)   5.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 38.5  MALE 37.8  FEMALE 39.3
                      (1970)   TOTAL 34.0  MALE 33.5  FEMALE 34.4

ADULT LITERACY RATE  (1983)    TOTAL   7%  MALE  10%  FEMALE   4%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                            (1975-1984)  -2.3%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    29%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        88


MAJOR CRUP(S)                                       ARABLE LAND  YEAR
  SUBSISTENCE: RICE .. ..                                  23%   (1984)
  CASH: PALM KERNELS ,COCOA BEANS ,COFFEE                  .%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCOA BEANS ,COFFEE ,PALM KERNEL

MAJOR AGRICULTURAL IMPORTS:(1984) RICE ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(   .)      .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1981)        205 (82)         155 (83)         102
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1981)        308 (82)         287 (83)         263
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1981)       -104 (82)        -133 (83)        -162
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978)  3.6% (79)  3.2% (83)  4.0%
  AS % OF GNP................. (1978)  1.0% (79)  0.8% (83)  0.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)     8 (83)     16 (84)     8
  EQUIVALENT TO  1.0 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)DIAMONDS       ,IRON ORE       ,PALM KERNELS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   10  (1983)    2  (1984)   13
   AS % OF TOTAL EXPORTS (1981)   33% (1982)   10% (1983)   2%

MAJOR IMPORTS(1983)MACH/TRANSP EQ ,MFRD GOODS     ,FOODSTUFFS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   19  (1983)    5  (1984)    7
   AS % OF TOTAL IMPORTS (1981)   12% (1982)   8% (1983)   4%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -129(82)   -150(83)   -26

TRADING PARTNERS: UNITED KINGDOM ,UNITED STATES ,NIGERIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    38.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)    10
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   9.2%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.0% (1978)   2.4% (1985)  2.6%

POPULATION IN URBAN AREAS............(1970)    18%   (1985)   25%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)    49

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1971)   6.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 42.6% (15-64YRS) 54.4% (65+ YRS)  3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 195

PEOPLE PER PHYSICIAN................ (1979) 17,786

MAJOR CAUSES OF
DISEASE (1979) GONORRHEA       ,PARASITIC DISEAS,MALARIA
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    84%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  16%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1977)  TOTAL  46.7   MALE  56.6    FEMALE  37.0
SECONDARY....... (1979)  TOTAL  15.4   MALE  20.4    FEMALE   9.3
POST SECONDARY.. (1977)  TOTAL   0.5   MALE   0.6    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY **SIERRA LEONE**

1/ PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	7.1	9.4	10.4	8.7	8.5	119.2	4.5	114.7
Loans	1.2	2.3	3.0	3.6	3.0	19.7	4.5	15.2
Grants	5.9	7.1	7.4	5.1	5.5	99.5	-	99.5
a. A.I.D. and Predecessor Agencies	2.0	2.8	3.1	1.0	1.0	29.6	-	29.6
Loans	-	-	-	-	-	-	-	-
Grants	2.0	2.8	3.1	1.0	1.0	29.6	-	29.6
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	2.6	4.2	4.4	4.9	4.6	47.6	4.5	43.1
Loans	1.2	2.3	3.0	3.6	3.0	19.7	4.5	15.2
Grants	1.4	1.9	1.4	1.3	1.6	27.9	-	27.9
Title I – Total Sales Agreements	1.2	2.3	3.0	3.6	3.0	19.7	4.5	15.2
Repayable in U.S. Dollars – Loans	1.2	2.3	3.0	3.6	3.0	19.7	4.5	15.2
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	1.4	1.9	1.4	1.3	1.6	27.9	-	27.9
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	1.4	-	1.4
Voluntary Relief Agencies	1.4	1.9	1.4	1.3	1.6	26.5	-	26.5
c. Other Economic Assistance	2.5	2.4	2.9	2.8	2.9	42.0	-	42.0
Loans	-	-	-	-	-	-	-	-
Grants	2.5	2.4	2.9	2.8	2.9	42.0	-	42.0
Peace Corps	2.5	2.4	2.9	2.8	2.9	42.0	-	42.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	*	*	*	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	*	*	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	*	*	*	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	7.1	9.4	10.4	8.7	8.5	119.3	4.5	114.8
Loans	1.2	2.3	3.0	3.6	3.0	19.7	4.5	15.2
Grants	5.9	7.1	7.4	5.1	5.5	99.6	-	99.6
Other U.S. Government Loans and Grants	-	-	-	-	-	29.0	17.5	11.4
a. Export-Import Bank Loans	-	-	-	-	-	29.0	17.5	11.4
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	21.0	22.5	5.6	212.8
IBRD	0.0	0.0	0.0	18.7
IFC	0.0	0.0	0.0	2.1
IDA	20.0	21.5	0.0	119.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	1.1	37.5
UNDP	1.0	1.0	0.0	26.8
OTHER-UN	0.0	0.0	4.5	5.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	8.0	9.0	45.0
Germany, Fed. Rep.	14.9	10.4	69.2
United Kingdom	6.7	4.9	33.6
Japan	10.1	1.6	32.9
Netherlands	1.4	1.5	22.5
Other	16.0	8.6	36.5
Total	57.1	36.0	239.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
0.3	N.A.	11.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	35
Eastern Europe	-	-	-
Total	-	-	35

SIERRA LEONE

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	1,300	1,300	-	-	-	-	-	-
Total	1,300	1,300	-	-	-	-	-	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	1,300	1,300	-	-	-	-	-	-
Total	1,300	1,300	-	-	-	-	-	-

FY 1987
PROGRAM HIGHLIGHTS

- $1.3 million for on-going project, Cropping Systems Development, which emphasizes technology diffusion and adaptive food crop research.

- $4.0 million in P.L. 480 Title I assistance, which provides balance of payments support and needed food commodities.

- $1.1 million in P.L. 480 Title II supports feeding and health and nutrition education programs for mothers and their children under 5 years.

SIERRA LEONE

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	1,354	2,578	2,319
Total AID	1,354	2,578	2,319
P.L. 480 **			
Title I	4,000	4,000	4,000
(of which Title III is)	(–)	(–)	(–)
Title II	1,578	1,083	1,074
Total P.L. 480	5,578	5,083	5,074
Total AID and P.L. 480	6,932	7,661	7,393

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	15,000	2,000	13,000	2,000	16,000	2,000
Rice	6,000	2,000	7,000	2,000	7,000	2,000
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	21,000	4,000	20,000	4,000	23,000	4,000
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	4,892	1,578	3,900	1,083	3,900	1,074
Government - to - Government	–	–	–	–	–	–
Title II Total	4,892	1,578	3,900	1,083	3,900	1,074
Total P.L. 480	25,892	5,578	23,900	5,083	26,900	5,074

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	2	1	1
PASA[b]	–	–	–
TOTAL	2	1	1

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	35	11	46	25	10	35	20	15	35
Regional[e]	9	4	13	9	4	13	9	4	13
TOTAL	44	15	59	34	14	48	29	19	48

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	12	12	–	15	15	–	15	15
Regional[e]	3	5	8	3	5	8	3	4	7
TOTAL	3	17	20	3	20	23	3	19	22

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SIERRA LEONE

Development Overview

Sierra Leone continues to experience serious economic problems. The average annual growth rate dropped from 1.8 percent during 1975-80 to below zero in real output during 1980-84. The budget deficit estimated for the year ending June 1985 was $82 million, and the estimated external debt was $390 million. Projections for 1985-86 indicate a deficit of $76 million with an external debt of $423 million. Sierra Leone held a Presidential election in October 1985. The new Government has indicated a willingness to initiate policy reforms to facilitate economic recovery.

Agricultural production, which accounts for two-thirds of total employment, is still declining. This is largely the result of the poor macro-economic policies pursued by the Government and the absence of effective institutional linkages between the Ministry of Agriculture, the research community and the farmers. The provision of assistance to the Government to establish the linkages between agricultural research and extension and a continuation of policy dialogue efforts aimed at policy reform appear to be the best approaches for U.S. assistance.

U.S. Interests and Objectives

U.S. interests in Sierra Leone are developmental. A major concern is the possibility of continuing deterioration of the economy which will make instability more likely. Such an eventuality will reduce prospects for economic recovery and provide an opportunity for those countries which seek to exploit political unrest in Africa. A critical objective is to influence the Government to continue to undertake macro-economic policy reforms.

A.I.D. Development Strategy

A.I.D.'s development strategy focuses on increasing food crop production. This is the priority area for the Government. The strategy aims to strengthen the Government's institutional framework in the areas of agricultural research and extension and to encourage the Government to pursue market oriented policies to achieve an effective and efficient agricultural sector. A.I.D. also provides P.L. 480 Title I food grain commodities to meet part of the country's annual food deficit and as a mechanism to achieve further economic policy reforms. The local currency generated from P.L. 480 Title I provides a means to finance high priority food production activities.

A.I.D. Program (FY's 1985-1986)

In FY's 1985 and 1986, A.I.D. focused its program primarily on the agricultural sector. The emphasis was on the development of institutions for strengthening agricultural research and extension. The U.S. effort focused on food crop research and the diffusion of the new technologies to farmers.

The Adaptive Crop Research Project (ACRE)(636-0102) is already fully funded. The project establishes a research and extension model for adoption and expansion by the Government. Recent surveys indicate a high rate of acceptance by small and medium-size farmers of the new technologies developed under this project.

In FY 1986 a total of $1.3 million will fund a new Cropping Systems Development project (636-0170) which will build upon the achievements of the ACRE project. This new project will assist the Government's effort to absorb and integrate within the Ministry of Agriculture the various agricultural research and extension projects financed by the major donors. The project will also provide a means for the Government to address technical and policy issues necessary to stimulate agriculture production.

In FY 85 the provision of $4.0 million of P.L. 480 Title I assistance stimulated significant reforms in commodity pricing policies by the Government and helped to reduce the food deficit. The reforms included the use of the private sector to import and distribute commodities and a reduction in price subsidies.

P.L. 480 Title I assistance of $4.0 million planned in FY 1986 will continue to provide a means of meeting the food deficit and will promote further economic reforms through policy dialogue. The local currency generated from the Title I program will be used for activities intended to increase food availability. P.L. 480 Title II commodities valued at $1.1 million in FY 1986 are to improve mother and child nutrition. Distribution of these commodities is by Catholic Relief Services.

Requested Year Program (FY 1987)

The $1,300,000 in Development Assistance requested for FY 1987 provides funds for the Cropping Systems Development project (636-0170) to cover the incremental costs of technical assistance, commodity purchases and participant training programs. P.L. 480 Title I assistance should continue at a level of $4,000,000. In addition, $1,074,000 in P.L. 480 Title II commodities will continue the program of improving mother and child nutrition.

A.I.D. AFFAIRS OFFICER: James W. Habron

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SIERRA LEONE

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
ADAPTIVE CROP RESEARCH AND EXTENSION	G 636-0102	78	84	9,063	9,063	9,063	6,244	---	2,000	---	819
CROPPING SYSTEMS DEVELOPMENT	G 636-0170	86	90	---	8,500	---	---	1,300	500	1,300	1,500
TOTAL FOR ACCOUNT				9,063	17,563	9,063	6,244	1,300	2,500	1,300	2,319
GRANTS				9,063	17,563	9,063	6,244	1,300	2,500	1,300	2,319
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
OICI VOCATIONAL TRAINING II (PVO)	G 636-0169	82	82	679	679	679	601	---	78	---	---
TOTAL FOR ACCOUNT				679	679	679	601	---	78	---	---
GRANTS				679	679	679	601	---	78	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				9,742	18,242	9,742	6,845	1,300	2,578	1,300	2,319
GRANTS				9,742	18,242	9,742	6,845	1,300	2,578	1,300	2,319
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an [illegible] obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

366

SOMALIA

381

FY 87 CP ECONOMIC AND SOCIAL DATA

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COUNTRY:  (649) SOMALIA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      7,595

PER CAPITA GNP.......... (DOLLARS,1983)        250

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -0.8%

ANNUAL RATE OF INFLATION (1973-83) 20.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1985)   TOTAL 43.1  MALE 42.3  FEMALE 44.0
                   (1970)   TOTAL 37.2  MALE 36.6  FEMALE 37.7

ADULT LITERACY RATE  (1980)   TOTAL   6%  MALE   11%  FEMALE    3%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                                 (   .-    .)     . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1982)    44%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)          16


MAJOR CROP(S)                                      ARABLE LAND  YEAR
  SUBSISTENCE: SORGHUM ,CORN ,MILK                        45%   (1984)
  CASH: BANANAS ,SHEEP ,GOATS                              1%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIVESTOCK ,BANANAS ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)      .%
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*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1979)        287 (80)         301 (81)          394
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1979)        518 (80)         489 (81)          547
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1979)        231 (80)         188 (81)          152
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1976) 20.1% (77) 16.2% (78) 25.0%
  AS % OF GNP................. (1976)  3.3% (77)  3.1% (78)  6.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (1982)    14 (83)     16 (84)     6
  EQUIVALENT TO  0.4 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)LIVESTOCK      .HIDES & SKINS  .BANANAS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    1  (1983)    0  (1984)    1
   AS % OF TOTAL EXPORTS (1981)   0% (1982)    1% (1983)   0%

MAJOR IMPORTS(1983)TEXTILES       .CEREALS        .TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   51  (1983)   50  (1984)   84
   AS % OF TOTAL IMPORTS (1981)   21% (1982)   12% (1983)  15%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -195(82)   -301(83)  -272

TRADING PARTNERS: ITALY ,SAUDI ARABIA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    98.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    22
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  24.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.3% (1978)  10.1% (1985)  3.0%

POPULATION IN URBAN AREAS............(1970)    23%   (1985)   34%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)    47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)   1.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 43.6% (15-64YRS) 53.7% (65+ YRS)  2.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 163

PEOPLE PER PHYSICIAN................. (1980) 15,631

MAJOR CAUSES OF
DISEASE (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  33%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL  35.5   MALE  45.3    FEMALE  25.7
SECONDARY....... (1980)  TOTAL   6.9   MALE  10.2    FEMALE   3.7
POST SECONDARY.. (1979)  TOTAL   0.6   MALE   1.1    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SOMALIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	67.3	57.0	55.8	69.7	81.7	466.3	16.5	449.8
Loans	17.7	15.0	14.5	15.0	16.0	115.6	16.5	99.1
Grants	49.6	42.0	41.3	54.7	65.7	350.7	-	350.7
a. A.I.D. and Predecessor Agencies	17.3	12.1	34.4	47.9	53.6	238.6	7.5	231.1
Loans	-	-	-	-	-	16.0	7.5	8.5
Grants	17.3	12.1	34.4	47.9	53.6	222.6	-	222.6
(Economic Support Fund)	5.0	-	20.0	21.0	35.0	80.9		
b. Food for Peace (PL 480)	50.0	44.9	21.4	21.8	31.1	222.2	9.0	213.2
Loans	17.7	15.0	14.5	15.0	16.0	99.6	9.0	90.6
Grants	32.3	29.9	6.9	6.8	15.1	122.6	-	122.6
Title I - Total Sales Agreements	17.7	15.0	14.5	15.0	16.0	99.6	9.0	90.6
Repayable in U.S. Dollars - Loans	17.7	15.0	14.5	15.0	16.0	99.6	9.0	90.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	32.3	29.9	6.9	6.8	15.1	122.6	-	122.6
Emerg. Relief, Econ. Develop. & World Food Program	32.3	29.9	6.9	6.8	15.1	121.9	-	121.9
Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
c. Other Economic Assistance	-	-	-	-	-	5.5	-	5.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	5.5	-	5.5
Peace Corps	-	-	-	-	-	5.5	-	5.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	20.0	20.4	25.4	30.6	33.0	129.4	10.5	118.9
Credits or Loans	20.0	20.0	10.0	10.0	-	60.0	10.5	49.5
Grants	-	0.4	15.4	20.6	33.0	69.4	-	69.4
a. MAP Grants	-	-	15.0	20.0	32.0	67.0	-	67.0
b. Credit Financing - FMS	20.0	20.0	10.0	10.0	-	60.0	10.5	49.5
c. Military Assistance Service-Funded (MASF) Grants	-	0.4	0.4	0.6	1.0	2.4	-	2.4
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	87.3	77.4	81.2	100.3	114.7	595.7	27.0	568.7
Loans	37.7	35.0	24.5	25.0	16.0	175.6	27.0	148.6
Grants	49.6	42.4	56.7	75.3	98.7	420.1	-	420.1
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	33.0	38.3	49.1	495.2
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.6	1.0
IDA	23.0	31.5	20.6	255.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	3.2	0.0	27.9	83.9
UNDP	6.8	1.8	0.0	58.0
OTHER-UN	0.0	5.0	0.0	18.8
EEC	0.0	0.0	0.0	78.5

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	33.0	48.0	237.0
Italy	49.3	60.3	181.8
Germany, Fed. Rep.	23.9	25.1	166.4
United Kingdom	4.4	3.8	24.4
Sweden	2.3	1.9	22.7
Other	30.9	24.1	97.1
Total	143.8	163.2	729.4

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
160.7	N.A.	528.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	165
Eastern Europe	35	-	40
Total	35	-	205

SOMALIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
Loans	–	–	–	–	–	–	–	
Grants	50,737	12,250	2,550	2,200	2,737	1,000	30,000	
Total	50,737	12,250	2,550	2,200	2,737	1,000	30,000	
Loans	–	–	–	–	–	–	–	
Grants	36,783	8,434	2,838	1,500	2,000	-	22,011	
Total	36,783	8,434	2,838	1,500	2,000	–	22,011	
Loans	–	–	–	–	–	–	–	
Grants	48,410	11,438	2,772	1,200	3,000	-	30,000	
Total	48,410	11,438	2,772	1,200	3,000	–	30,000	

FY 1987
PROGRAM HIGHLIGHTS

- Economic Support Fund continues to finance import of vital commodities in support of the agricultural and private sectors.
- Continue policy dialogue to encourage increased reliance on private sector initiatives.
- Improve irrigated agricultural production in the Shebelle Valley.
- Focus efforts in Agricultural/Livestock sector on production of cereals to reduce imports and the marketing of livestock to increase export.
- Continued use of P.L. 480 Title I food sales to ease foreign exchange outflows and use of P.L. 480 Title II for refugee relief programs.

SOMALIA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *	–	–	–
Loans	–	–	–
Grants	19,361	80,726	53,042
Total AID	19,361	80,726	53,042
P.L. 480 **			
Title I			
(of which Title III is)	(20,000)	(16,700)	(20,000)
Title II			
Total P.L. 480	20,000	16,700	20,000
Total AID and P.L. 480	39,361	97,426	73,042

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	32,000	5,000	18,000	1,900	52,000	4,000
Rice	17,000	5,000	16,000	4,800	18,000	6,000
Feedgrains	13,000	2,000	–	–	–	–
Vegoil	8,000	8,000	14,000	10,000	15,000	10,000
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	70,000	20,000	48,000	16,700*	85,000	20,000
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	–	–	–	–	–	–
Total P.L. 480	70,000	20,000	48,000	16,700	85,000	20,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

*Above excludes $3.3 million to pay for ocean freight cost.

SOMALIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	27	26	26
PASA[b]	5	9	8
TOTAL	32	35	34

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	41	22	63	38	62	100	22	10	32
Regional[e]	7	11	18	4	5	9	2	–	2
TOTAL	48	33	81	42	67	109	24	10	34

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	10	10	–	6	6
Regional[e]	4	6	10	4	5	9	2	–	2
TOTAL	4	6	10	4	15	19	2	6	8

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SOMALIA

Development Overview

Somalia is one of the poorest countries in the world with a per capita income of less than $300 per year and an external debt exceeding $1.3 billion. Efforts toward economic development are constrained by limited natural resources and a harsh and variable climate. Only about 14 percent of the land is arable and drought occurs frequently. Eighty percent of the population earn their livelihood in the agricultural sector, mainly by nomadic herding and subsistence farming pastoralism. Prior to the 1983 Saudi ban on cattle imports, Somalia pastoralists produced over 80 percent of the country's export foreign exchange, though livestock continues to be the major source of export earnings. Manufacturing for either domestic consumption or export is practically non-existent. Although crop production has continued to increase, agriculture remains a long term challenge.

For over 10 years Somalia practiced "scientific socialism." The experience left the country with government-owned factories and service industries characterized by poor management and low productivity. Prices on agricultural products were kept low, resulting in insufficient incentives for farmers. Skilled managers and technicians left the country for higher wages offered in the Gulf States. In addition, during the 1970s, a series of events--including a severe drought in 1974-75, the outbreak of regional hostilities in 1977-78, an ensuing inflow of refugees, and the severance in 1978 of relations with the Soviet Union which up to then had been the major source of financial and technical assistance--contributed to economic stagnation and added to domestic and external financial deficits.

The Somali government undertook major policy shifts in 1981, embarking on a stabilization program and beginning reforms and policy changes to encourage private sector participation in the economy and promote production. Progress has been slow, but steady, as the GSDR has decontrolled agriculture prices, shut down some government enterprises, and restructured the foreign exchange regime. There have been several currency devaluations, and in January 1985, the GSDR legalized a freely floating exchange market. The government has also removed most import and export restrictions and has made some progress toward civil service reform.

U.S. Interests and Objectives

U.S. interests in Somalia are based on geopolitical, developmental, and humanitarian considerations, which require both economic and military assistance. Economic assistance contributes toward improving relations between the United States and Somalia, and it further encourages close cooperation in a region strategically important to the United States. The United States' humanitarian interests are served by working with other donors to lessen the refugee burden on the fragile Somali economy and to improve the well being of the Somali people. Specific U.S. economic objectives are: a) support for GSDR efforts to stabilize the economy by meeting balance of payments needs, reducing the budget deficit, and controling inflation; and b) stimulate structural adjustments within the economy - particularly by increasing the role of the private sector - to build a base for economic growth.

A.I.D. Development Strategy

The A.I.D. development strategy for Somalia has two thrusts: a) short-term macroeconomic stabilization; and b) longer-term structural adjustment and development. Both call for policy reform. Self-sustaining economic growth will occur only if long-term development programs are undertaken. To ignore these long-term requirements by concentrating solely on immediate balance of payments difficulties would result in an indefinite need for balance of payments support. However, unless short-term balance of payments needs are met, the GSDR will necessarily default on debt and/or be unable to meet critical import needs, and long-term development will not take place. Therefore, a careful balance must be struck between these two objectives.

A.I.D's macroeconomic stabilization program provides balance of payments and budgetary support to the government. Critical are policy changes designed to address causes of the GSDR balance of payments and budgetary deficit difficulties and promotion of private sector activity. The key tools used in this portion of the strategy are (1) the Commodity Import Program (CIP), (2) PL-480 food imports, (3) investment in the Kismayo Port rehabilitation, and (4) the Policy Initiatives and Privatization Project (PIPS).

In the longer-term development program, A.I.D.'s strategy focuses on building a base for productivity. It will focus on the agricultural sector which is the base for economic growth in Somalia. Assistance in manpower development will spread across all sectors but will emphasize agriculture, finance, and development planning.

Until recently, A.I.D.'s effort with the refugee program has been limited to care and feeding with emphasis on self-reliance. In March 1983, the Government established a policy of permitting all refugees who did not wish to be repatriated to Ethiopia to settle permanently in Somalia. Since that time, the U.S. has joined with other bilateral and multilateral donors in helping the government to establish a framework to implement this decision. The settlement efforts are expected to benefit up to an estimated 30-40,000 families during the next four years. A.I.D.'s strategy utilizes approaches which emphasize productivity rather than social services as the basis for settlement, and it stresses the integration of refugees into the communities where they settle.

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AID Program (FYs 1985 - 1986)

In the agriculture sector, AID continued training activities under the Agricultural Extension Training and Research project (649-0101). This project ended in December 1984 and was AID's first effort to develop and test information programs useful to small grain producers in several related pilot areas. The Agriculture Delivery System project (649-0112) builds upon the pilot extension program and is expanding the concept into a National Extension Service. The Bay Region Development project (649-0113) established a variety of trials with sorghum and other crops demonstrating yield increases of up to 100 percent in some of these trials. The activities of these agricultural projects are providing an excellent training forum for extension and research personnel.

$3,984,000 will be used in FY 1986 for the start of a Somali National Agricultural Research Program (649-0126) which will focus on soil and water problems in irrigated agriculture.

In FY 1985, the Policy Initiatives and Privatization project (649-0132), and the Juba Development Analytical Studies project (649-0134) were continued. Both activities provide the resources to conduct additional studies required to implement AID's development strategy for Somalia.

In support of the livestock sector, A.I.D. is implementing the Central Rangelands Development Project (CRDP) (629-0108) and the Livestock Marketing and Health Project (LMHP) (649-0119). The CRD project, a large multi-donor project, was revised to concentrate on strengthening the effectiveness of the Ministry of Livestock in developing, testing and transferring relevant range management techologies to livestock producers and to develop the range management teaching and research capacity of the Faculty of Agriculture, Somalia National University. The LMH project is aimed at restoring the contribution of cattle exports to the Somali balance of payments, specifically the reinstatement of live cattle shipments to Saudia Arabia, banned since mid-1983 due to the threat of rinderpest. In 1986, $700,000 is being be used for the Livestock Marketing project (649-0109) in order to support livestock producers and to facilitate access to foreign markets. Approximately 35 additional wells will be drilled under the Groundwater Development Project (649-0104) designed to provide water for livestock and in agricultural areas.

A well-drilling program under the Comprehensive Groundwater Development project (649-0104) was continued in FY 1985. Under this project 100 production and exploratory wells out of a planned total of 135 have been drilled in support of the Bay Region Development (649-0113) and the Central Rangelands Development (649-0108) projects.

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In FY 1985, two assistance projects — funded under the Migration and Refugee Assistance Act — provided support to the refugee population, the CDA Forestry (649-0122) and the Refugee Self-Reliance project (649-0123). Both projects are being implemented by U.S. Private Voluntary Organizations (PVOs).

In health, AID continued to support primary health care activities through the Rural Health Delivery project (649-0102). Through FY 1985, when the project was completed, over 200 nurses, midwives and sanitarians had been trained at the project's two national training centers and have returned to their villages to provide primary health care. The FY 1984 Family Health Services Project (649-0131) supports demographic studies (including the 1986 National Census of Population), family health education, clinical services and operations research. Through this project and other centrally-funded resources AID continued its support of family health activities in FY 1985. In 1986, $2,838,000 will be used for the Family Health Services Project (649-0131) to support implementation of project activities in five regions. Clinical training as well as refresher training were initiated in FY 1985, and support will be provided to the 1986 National Census of Population and Housing.

In Education and Human Resources, $2,000,000 will be provided to the Somalia Management Training and Development project (649-0119). The project -- funded from both the ARDN and the HRD accounts -- will address the critical manpower constraints affecting Somalia's public and private sectors.

The ESF-funded Commodity Import Program (CIP) is an integral part of AID's development strategy for Somalia. The CIP provides the necessary short-term support to promote economic and financial stability and to encourage continued policy reforms. The FY 1985 Commodity Import Program (649-0125) provided foreign exchange to finance the importation of commodities for the agricultural sector. This $27.0 million program financed agricultural inputs such as seeds and equipment, spare parts, and light equipment for manufacturing. The program has been critical for the encouragement of the Somali private sector which received approximately 85 percent of the resources. In the FY 1986 Commodity Import Program III (649-0130) ($22,001,000) about 85 percent of the resources also are programmed for the private sector. In FY 1987, $30,000,000 is planned for the Commodity Import Program.

In 1986, $4,250,000 is requested to finance PVO activities in the rural development, agriculture, health, and small industrial sectors.

An FY 1986 PL-480 Title I program of $20,000,000 will require that the GSDR continue to adopt policy changes in support of civil service reform, increased food production, and a greater role for the private sector in distribution. These policy changes, particularly those related to an increased role for the private sector, are vital to the agricultural sector's future performance. PL-480 Title II food ($8,000,000) is planned to continue supporting the refugee feeding programs.

SOMALIA

Requested Year Program (FY 1987)

$30.0 million from the Economic Support Fund account is requested in FY 1987 to finance essential commodity imports through Commodity Import Program V. This activity is critical to the implementation of AID's strategy for the economic recovery and stabilization program.

An initial $4,455,000 is requested in FY 1987 to initiate the Shebelle Water Management (649-0129) which will increase agricultural production in the Shebelle region through improved irrigation systems and practices.

In FY 1987, an additional $4,000,000 in ESF is requested for the Policy Initiatives and Privatization (649-0132) project to continue support of the GSDR's economic recovery and policy reform activities, and especially to assist the private sector increase its participation in the economy.

The PL-480 Title I program will continue at $20,000,000 to maintain our support of the GSDR's economic stabilization program. Through the PL-480 Title I program AID will maintain its policy dialogue on food production and livestock.

Under Education and Human Resources $3,000,000 will continue the Somalia Management Training and Development project (649-0119). The project aims to increase the quality and quantity of managerial and technical manpower in selected key ministries and institutions involved in rural development and in the private sector.

In Health $2,772,000 is requested for the continuation of the Family Health Services project (640-0131). In FY 1986 it is anticipated that adequate family health education services will be initiated through this project in five regions. In addition, a census pre-test will be conducted for the expected enumeration in FY 1987.

$4.2 million is requested to finance PVO activities in the agricultural and health development sectors.

The Agricultural Research and Manpower Program (649-0126) will receive an additional $3,760,000 to continue its activities related to applied agricultural research, planning, and extension.

MISSION DIRECTOR - Louis A. Cohen

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOMALIA

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
COMPREHENSIVE GROUNDWATER DEVELOPMENT	G 649-0104	79	84	12,266	12,244	12,266	7,735	---	4,040	---	469
CENTRAL RANGELANDS DEVELOPMENT	G 649-0108	79	83	14,966	14,966	14,966	6,500	---	2,000	---	2,000
LIVESTOCK MARKETING	G 649-0109	84	86	11,000	11,000	10,300	55	700	2,500	---	2,500
AGRICULTURAL DELIVERY SYSTEMS	G 649-0112	79	83	8,635	8,635	8,635	6,059	---	1,649	---	927
BAY REGION DEVELOPMENT	G 649-0113	80	83	11,171	11,171	11,171	5,104	---	3,500	---	2,500
AGRICULTURE RES. & MANPOWER	G 649-0126	86	87	---	8,500	---	---	3,984	500	4,455	1,500
SHEBELLE WATER MANAGEMENT	* G 649-0129	87	97	---	50,000	---	---	---	---	3,760	500
JUBA DEVELOPMENT ANALYTICAL STUDIES	G 649-0134	83	86	8,000	8,550	8,000	1,063	550	2,885	---	2,000
PVO DEVELOPMENT PARTNERS	G 649-0138	85	88	8,700	8,700	900	---	2,750	1,500	3,000	1,500
PROJECT DESIGN & SUPPORT	G 649-0510	85	C	---	---	300	34	450	400	223	200
TOTAL FOR ACCOUNT				74,696	133,746	66,494	26,550	8,434	18,974	11,438	14,096
GRANTS				74,696	133,746	66,494	26,550	8,434	18,974	11,438	14,096
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
FAMILY HEALTH SERVICES	G 649-0131	84	87	10,100	10,100	6,490	295	2,838	3,000	2,772	1,195
TOTAL FOR ACCOUNT				10,100	10,100	6,490	295	2,838	3,000	2,772	1,195
GRANTS				10,100	10,100	6,490	295	2,838	3,000	2,772	1,195
LOANS				---	---	---	---	---	---	---	---
HEALTH											
RURAL HEALTH DELIVERY	G 649-0102	79	83	15,200	8,938	8,938	8,410	---	528	---	---
COMPREHENSIVE GROUNDWATER DEVELOPMENT	G 649-0104	79	84	6,556	6,556	6,556	6,291	---	265	---	---
PVO DEVELOPMENT PARTNERS	G 649-0138	85	88	3,500	4,700	2,000	---	1,500	1,500	1,200	1,500

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOMALIA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROJECT DESIGN & SUPPORT		G	649-0510	85	C	---	---	200	125	---	75	---	---
TOTAL FOR ACCOUNT						25,256	20,194	17,694	14,826	1,500	2,368	1,200	1,500
GRANTS						25,256	20,194	17,694	14,826	1,500	2,368	1,200	1,500
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
MANAGEMENT TRAINING FOR DEV.		G	649-0119	85	91	18,500	18,500	2,700	---	,000	2,000	3,000	2,000
PROJECT DESIGN & SUPPORT		G	649-0510	85	C	---	---	37	1	---	36	---	---
TOTAL FOR ACCOUNT						18,500	18,500	2,737	1	2,000	2,036	3,000	2,000
GRANTS						18,500	18,500	2,737	1	2,000	2,036	3,000	2,000
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
PVO DEVELOPMENT PARTNERS		G	649-0133	85	89	2,800	2,800	1,000	---	---	750	---	250
TOTAL FOR ACCOUNT						2,800	2,800	1,000	---	---	750	---	250
GRANTS						2,800	2,800	1,000	---	---	750	---	250
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM I		G	649-K602	82	82	18,500	18,500	18,500	17,965	---	535	---	---
COMMODITY IMPORT PROGRAM II		G	649-K603	83	83	16,000	16,000	16,000	13,435	---	2,563	---	---
COMMODITY IMPORT PROGRAM III		G	649-K604	85	85	27,000	27,000	27,000	---	---	18,000	---	9,000
COMMODITY IMPORT PROGRAM IV		G	649-K605	86	86	---	21,011	---	---	21,011	15,000	---	5,001
COMMODITY IMPORT PROGRAM V	*	G	649-K606	87	87	---	26,000	---	---	---	---	26,000	2,000
KISMAYO PORT REHABILITATION		G	649-0114	82	85	42,000	42,000	42,000	2,628	---	16,000	---	16,000
POLICY INITIAT. & PRIVITIZATION STUDIES		G	649-0132	83	88	2,500	7,500	2,500	512	1,000	1,500	4,000	2,000
TOTAL FOR ACCOUNT						106,000	158,011	106,000	34,540	22,011	53,598	30,000	34,001
GRANTS						106,000	158,011	106,000	34,540	22,011	53,598	30,000	34,001
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SOMALIA

PLANNED PROGRAM SUMMARY SHEET

Title Shebelle Water Management	Funding Source	AG, RD & N 3,760	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 3,760 Life of Project Funding 50,000
Number 649-0129 ☒ GRANT ☐ LOAN	☑ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.

Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
FY 87	FY 97	FY 99

Purpose: To increase Somali irrigated agricultural production by strengthening GSDR capacity to manage, maintain, rehabilitate, and expand the Shebelle's primary irrigation infrastructure and private sector management of secondary infrastructure, and by improving irrigated cultivation practices.

Project Description: The project will improve efficiency in Shebelle water use by strengthening basin-wide water management functions, conducting research supportive to the irrigation program and rehabilitating irrigation infrastructure. The Shebelle River is Somalia's major resource for near and medium term increase in crop production. Shebelle water is limited, with availability constrained by gross inefficiencies in current water use. In the Shebelle River valley, much of the land is irrigable, but existing irrigation infrastructure was developed in colonial times and is presently in a state of disrepair. GSDR institutions responsible for water control are weak and ineffective. As a result, water management is inefficient, limiting crop yields and hectarage under cultivation.

Relationship to Project to AID Country Strategy: Agricultural sector strategy is designed to support the GSDR's objectives of: (a) increasing crop and livestock production by improving current production systems and practices, and (b) strengthening the country's capacity to plan and manage agricultural sector development.

Host Country and Other Donors: FAO has been assisting the GSDR to draft a water law which provides the legal basis for the allocation of water from the Shebelle River and the assessment of water user fees. Financial and technical feasibility studies by the GSDR, World Bank and KFW are underway on the rehabilitation requirements of the basin's irrigation system. During project preparation, the Mission will participate in a multi-donor negotiation process, designed to ensure that all needed project functions are covered by AID and other donors.

Beneficiaries: The nation as a whole will benefit from the irrigated crop production increases and resultant foreign exchange earnings and savings. Small farmers in the Shebelle valley will benefit directly from increased incomes and the expanded availability of water for irrigated production.

AID-Financed Inputs: Funds for water management and agricultural research will support technical assistance, training, commodities, and minimal construction and logistics. Funds for irrigation rehabilitation will cover A and E fees.

		Life of Project ($ millions)
(A)	Water Management	
	Technical Assistance	7.0
	Commodities and Facilities	2.5
	Training	3.0
(B)	Agriculture Research	
	Technical Assistance	10.0
	Training	1.5
	Commodities and Facilities	6.0
(C)	Irrigation Rehabilitation	20.0
(D)	Total	50.0

Major Outputs: AID funds will contribute to some of the following system-wide water management functions: water resource planning and liaison with private sector water user associations, irrigation management, cadastral survey and land registration, and financial management. Research will address the following issues: soils, irrigable crops and production and marketing socio-economics. AID's contribution to the rehabilitation of irrigation infrastructure is expected to improve production on approximately 2,000 Ha of land by improving water delivery and drainage.

Policy efforts will focus on appropriate management of the water resource, cost recovery through user fees, and adequate land tenure legislation.

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	
Estimated Fiscal Year 1986	-	-	▨
Estimated Through September 30, 1986	-	-	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,760	46,240	50,000

Principal Contractors or Agencies

To be selected.

PROGRAM: Somalia

PLANNED PROGRAM SUMMARY SHEET

Title Commodity Import Program V		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (in thousands of dollars) FY 87 26,000	Life of Project Funding 26,000
Number 649-K-606 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY 88

Purpose: To provide balance of payments support through a Commodity Import Program (CIP), emphasizing procurement of those commodities which are critical to the support of the agricultural sector and a revitalized private sector.

Project Description: Somalia is recovering from a severe economic crisis stemmed from a drought, a Saudi ban on importing Somali cattle, Saudi cutoff of an oil grant, and a slow pace in stabilization efforts. The crisis led to a critical shortage of foreign exchange and a substantial government budget deficit which required inflationary financing by the central bank.

The drought has ended and the GSDR has devalued the Somali shilling by 50 percent to stimulate exports. However, even if the remaining problems are favorably resolved, Somalia will continue to need balance of payments and budgetary assistance in the foreseeable future. In addition to the economic policy reforms at the micro and macro level, the GSDR also altered its position vis-a-vis the role of the private sector in Somalia's economic development. Indicators to this effect include, inter alia, decontrol of agricultural prices, allowing private leasing of land, increased distribution of agricultural inputs to private farmers, reduced role of government agencies and parastatals, private importation of petroleum and fuel products, the abolishment of certain parastatals, and encouraging foreign and domestic investment.

Somalia's economy still faces considerable problems. Critical imports remain in short supply. Shortages of skilled manpower continue to constrain the capacity of the Government to cope with the problems it faces. In short, while the economy has improved as a result of stabilization measures, full recovery is far from achieved.

As with the previous CIPs, the CIP V will provide foreign exchange to promote both increased agricultural exports and domestic food production. The program will finance raw materials, spare parts, and capital equipment required directly by agriculture.

Approximately 85 percent of the resources provided under the CIP V will be made available to private sector importers and entrepreneurs.

Relation of Project to A.I.D. Country Strategy: The project will support A.I.D.s strategy of increasing agricultural production both for domestic consumption and export, and thereby raising the incomes of rural subsistence farmers and pastoral nomads.

Host Country and Other Donors: Other donors, including the IMF, are currently providing similar balance of payments assistance. It is to be expected that such assistance will grow as the GSDR stabilization actions evolve and expand.

Beneficiaries: The majority of Somalia's people will benefit from the economic stability which this grant seeks to support. The direct beneficiaries will be the small farmers and small private sector entrepreneurs who will have access to imported farm inputs, raw materials, etc., hence contributing to increasing their productivity and income.

Major Outputs: Outputs will include more efficient operation of businesses and industries, and avoidance of private plant closures. Emphasis will be placed on developing export capabilities within the agricultural, agroindustrial, and light industrial sectors.

AID-Financed Inputs: The fourth ESF funded CIP Grant for $20 million will make foreign exchange available to Somalia in FY 1987. The CIP-generated local currency proceeds will be used for development projects which will be mutually agreed upon by the GSDR and USAID.

U. S. FINANCING (in thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-		
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-		
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	26,000	-	26,000	

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOMALIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR COUNTRY						237,350	343,349	198,415	76,212	36,783	80,726	48,410	53,042
GRANTS						237,350	343,349	198,415	76,212	36,783	80,726	48,410	53,042
LOANS						---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SOUTH AFRICA

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                                                   FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY  (674) SOUTH AFRICA

-------------                                                    ----------------
*BASIC DATA*                                                     *FOREIGN TRADE*
-------------                                                    ----------------
TOTAL POPULATION   (THOUSANDS,MID 1985)      32,465              MAJOR EXPORTS(     )

PER CAPITA GNP  .........  (DOLLARS,1983)       2,490            EXPORTS TO U.S.
                                                                   ($ MILLIONS, US, FOB) (1982)1,220  (1983)1,578  (1984)1,458
ANNUAL PER CAPITA REAL GNP GROWTH RATE  (     -  )      %          AS % OF TOTAL EXPORTS (1981)   10% (1982)    8% (1983)   9%

ANNUAL RATE OF INFLATION (     -  )    %                         MAJOR IMPORTS(     )

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION  (     )      % IMPORTS FROM U.S.
                                                                   ($ MILLIONS, US, CIF) (1982)2,733  (1983)2,438  (1984)2,613
LIFE EXPECTANCY AT BIRTH, IN YEARS                                 AS % OF TOTAL IMPORTS (1981)   19% (1982)   18% (1983)  18%
                        (1985)   TOTAL 62.5  MALE 60.7  FEMALE 64.3
                        (1970)   TOTAL 54.5  MALE 56.1  FEMALE 58.9  TRADE BALANCE($ MILLIONS, U.S.)(1981)    -57(82)    715(83) 3,960

ADULT LITERACY RATE  (1960)   TOTAL  57%  MALE  57%  FEMALE  57%  TRADING PARTNERS  UNITED STATES ,UNITED KINGDOM  GERMANY, FEDER

--------------                                                    EXTERNAL PUBLIC DEBT AS % OF GNP (     )        %
*AGRICULTURE*
--------------                                                    SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE               ($ MILLIONS, U.S.) ..............................  (     )
                                           (1975-1984)  -1.5%          AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)     (     )        %
                                                                  -------------
AGRICULTURAL PRODUCTION AS % OF GDP ..............(1980)     6%   *SOCIAL DATA*
                                                                  -------------
POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)         32  POPULATION GROWTH RATE   (1970)    2.4% (1978)    2.4% (1985)  2.4%

                                                                   POPULATION IN URBAN AREAS ..........   (1970)    48%   (1985)   52%

MAJOR CROP(S)                                   ARABLE LAND  YEAR  LIVE BIRTHS PER 1,000 POPULATION     (1970)    37    (1985)     33
  SUBSISTENCE: CORN ,SORGHUM ,CATTLE                    32%   (1984)
  CASH  BEEF AND VEAL ,CORN ,POULTRY MEAT               30%   (1984) MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION    (1975)  50.2%

MAJOR AGRICULTURAL EXPORTS:(1984) GREASE WOOL ,FRUIT ,RAW SUGAR   POPULATION (1985) IN AGE GROUP
                                                                                     (0-14YRS) 40.5% (15-64YRS) 55.8% (65+ YRS)  3.7%
MAJOR AGRICULTURAL IMPORTS (1984) CORN ,RICE ,COTTON,
                                                                   INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  86
PROPORTION OF LABOR FORCE IN AGRICULTURE          (1970)     28%
------------------------------                                     PEOPLE PER PHYSICIAN ..............   (1973)  1,983
*CENTRAL GOVERNMENT FINANCES*
------------------------------                                     MAJOR CAUSES OF
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)                       DISEASE (     ) UNKNOW   'LMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
                (1978)     10,351 (79)      12,031 (80)     18,558  DEATH   (     ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1978)     12,760 (79)      15,144 (80)     20,404  PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS     (1977)   116%
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1978)     -2,409 (79)      -2,313 (80)     -1,846  POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(     )     %
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES .. (     )      % (   )      % (   )      % TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
  AS % OF GNP.................. (     )      % (   )      % (   )      % PRIMARY .........  (1972)  TOTAL    125    MALE    106     FEMALE    105
                                                                      SECONDARY .......  (1970)  TOTAL   19.0    MALE   20.1     FEMALE   17.8
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,        POST SECONDARY ..  (1973)  TOTAL    3.8    MALE            FEMALE
  ($MILLIONS, U.S.)               (1982) 3,560 (83) 3,483 (84) 2,281
  EQUIVALENT TO  2.0 MONTHS OF IMPORTS (1983)                         ENERGY PRODUCTION AS % OF CONSUMPTION..............  (     )        %
```

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	--	--	--	--	--	--	--	--
Grants	(8,058)	--	--	--	(3,000)	--	(5,058)	--
Total	(8,058)	--	--	--	(3,000)	--	(5,058)	--
1986								
Loans	--	--	--	--	--	--	--	--
Grants	(15,765) 4,785	--	--	--	(3,840)	--	(11,925) 4,785	--
Total	20,550*	--	--	--	(3,840)	--	16,710*	--
1987								
Loans	--	--	--	--	--	--	--	--
Grants	(15,000) 10,000	--	--	--	(3,000)	--	(12,000) 10,000	--
Total	25,000*	--	--	--	(3,000)	--	22,000*	--

Non-add figures in parentheses represent South Africa Program activities funded by Southern Africa Regional Account.

* Indicates total funding proposed for Disadvantaged South Africans, including funding requested under Southern Africa Regional Program.

FY 1987
PROGRAM HIGHLIGHTS

-- Scholarships provided to over 325 non-white South Africans for study in the United States and South Africa.
-- Continued training and support to black trade unions.
-- Human rights funding to support change in South Africa and provide direct aid to the victims of apartheid.
-- Direct assistance to South African community organizations and leaders in expanding local level community outreach programs.
-- Support for South African private organizations in development of alternative and non-formal education programs.
-- Aid to black entrepreneurs and businessmen through improved training and expanded credit programs.

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	---	---	---
Grants	---	2,700	8,500
Total AID	---	2,700	8,500
P.L. 480 **			
Title I	---	---	---
(of which Title III is)	(---)	(---)	(---)
Title II	---	---	---
Total P.L. 480	---	---	---
Total AID and P.L. 480	---	2,700	8,500

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	---	---	---	---	---	---
Rice	---	---	---	---	---	---
Feedgrains	---	---	---	---	---	---
Vegoil	---	---	---	---	---	---
Non-food	---	---	---	---	---	---
Title I Total	---	---	---	---	---	---
(of which Title III is)	---	---	---	---	---	---
Title II 1/						
Voluntary Agencies	---	---	---	---	---	---
Government - to - Government	---	---	---	---	---	---
Title II Total	---	---	---	---	---	---
Total P.L. 480	---	---	---	---	---	---

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	1	3	3
PASA[b]	-	-	-
TOTAL	1	3	3

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week)

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	--	--	--	--	--	--	--	--	--
Regional[e]	247	--	247	250	--	250	250	--	250
TOTAL	247	--	247	250	--	250	250	--	250

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	--	--	--	--	--	--	--	--	--
Regional[e]	--	--	--	--	--	--	--	--	--
TOTAL	--	--	--	--	--	--	--	--	--

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

Development Overview

South Africa is in a state of political, social, and economic crisis due in very large part to that country's misguided policy of "apartheid". Apartheid excludes 72% of the population from the central processes of government on the basis of race. It imposes a legal framework of dehumanizing restrictions on black South Africans that are an affront to fundamental values. It determines on the basis of race, where an individual can live, work, travel, eat, and go to school. It endangers United States' interests by threatening the stability of this vital region. It directly contributes to the social and economic deprivation of the population it legally disenfranchises.

The South African government must play a key role if change is to come about through peaceful means. This will require good will on all sides, but, to open a dialogue, unambiguous governmental commitment to end apartheid and a clear statement regarding the political process for power sharing are essential. Meanwhile, it is a hopeful sign that there are black and white leaders and community groups outside the government who through their own efforts are working creatively and cooperatively to transform South African society through peaceful means.

U.S. Interests and Objectives

The principal goals of U.S. policy toward South Africa are to seek the end of the legal structure of apartheid and to encourage a peaceful political process leading to the establishment of a government based on the consent of the governed. This would lay the foundation for regional stability which is severely threatened by the apartheid policies presently in place.

The President's Executive Order of last September was designed to convey the united opposition of the American people to the apartheid system, by withholding support to the institutions of apartheid and by committing the U.S. to help in concrete ways to support institutional change in South African society. In the later category, the President's Executive Order includes the expansion of A.I.D. programs in education, training, and human rights. The U.S. aid program is intended to:

-- demonstrate our commitment to the transformation of South African society by working with non-governmental groups and institutions in South Africa which are committed to racial equality.

-- build ties between the United States and the black community in South Africa.

-- help disadvantaged groups in concrete ways.

-- strengthen the capabilities of black community organizations and leaders who will play a crucial role in South Africa's future.

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

The increased importance of the South Africa program is also signaled in this Congressional Presentation. In previous years, A.I.D.'s strategy and program plans in South Africa were included under the Southern Africa Regional Program. This year there has been a change, and the South Africa program is presented as a separate, independent program, although a significant portion of the funding comes from the Southern Africa Regional budget.

A.I.D. Development Strategy

The A.I.D. program in South Africa is an integral and important element of our overall policy toward that country. The program demonstrates that our relations with South Africa are not limited to a narrow range of issues or to dialogue only with the South African Government. The A.I.D. program demonstrates our nation's concrete support for individuals and groups striving for political change and the elimination of South Africa's apartheid system. The program helps to build important links to the black community while at the same time meeting the very real needs of this community. A.I.D. programs are designed to encourage, wherever possible, matching contributions from other private South African and U.S. sources to help resolve the serious problems facing the country.

A primary objective of the A.I.D. program is to assure that strong and responsible leadership is available to assume increasingly greater positions of responsibility and authority in both the public and private sectors. A.I.D. projects address educational and skills training through tutorial and scholarship programs, institutional support efforts, as well as programs for black entrepreneurs and trade union leaders. In addition, there are funds for human rights and self-help activities.

The South Africa A.I.D. program is different from programs elsewhere in the world. Our program works directly with private voluntary organizations, local groups and individuals in South Africa, not through the South African Government. Our objectives are changing policy, laws and human rights practices, not economic growth.

A.I.D. Program FYs 1985-1986

During fiscal years 1985 and 1986 the United States increased substantially its aid program to the black majority in South Africa. In FY 1985 $8 million was committed to scholarship programs, labor union training, human rights and self-help projects. In order to carry out the President's Executive Order of September 1985, A.I.D. is committing an additional $20.5 million from ESF and DA funds in FY 1986 for South African programs. This additional commitment demonstrates the high priority the United States attaches to mobilizing public and private support for change in South Africa. The principal activities and funding levels are described below.

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

A. Continuing Projects Funded from the Southern Africa Regional Program

1. The Training for Disadvantaged South Africans Project (674-0213). This project finances graduate and undergraduate study at U.S. colleges and universities. Priority fields of study include agriculture, business administration, chemistry, economics, engineering, and physics. Students in other science-oriented and social science disciplines are also eligible. The program is designed for disadvantaged students who are resident in South Africa. Approximately 80 to 100 new students are selected annually and placed in U.S. universities. The project began in FY 1982 and will continue through FY 1989 at a total projected life of project cost of $30 million. In FY 1986, we plan to commit an increased level of $5.0 million to this project from Southern Africa Regional funds (DA and ESF).

2. A significant development during the Fiscal 1985 period was the start-up of the new Internal Bursaries project (674-0230) under which scholarships are provided to disadvantaged South Africans to study at local universities. During the project's five year life, it is expected that over 400 students will receive scholarships. For Fiscal 1986, A.I.D. expects to provide $5.5 million from Southern Africa Regional funds for this program. This project and other planned FY 1986 grants to private community organizations in South Africa will carry out the President's commitment of up to $8.0 million for scholarships and education programs.

3. Under the Labor Union Training Project (674-0223), a grant is made to the AFL-CIO's African-American Labor Center (AALC) to finance its program of assistance to black South African trade unions. The project has helped black trade unions in a number of different areas including union organization, collective bargaining, membership drives, grievance handling and health and occupational safety issues. The project also has assisted emerging unions to strengthen their structures through accelerated trade union education and skills training. A.I.D. provided $993,000 in FY 1985 to AALC and, in conformance with the President's Executive Order, an additional $1.5 million is planned for FY 1986 from Southern Africa Regional funds.

4. The Human Rights Fund (674-2801) is aimed at promoting political, economic, social, and juridical rights. $1 million was obligated in FY 1985 and $1.5 million is planned for Fiscal 1986. The President's Executive Order established this increased level of assistance for human rights and specified that $500,000 of this amount will go for direct legal assistance to the victims of apartheid and their families. The Human Rights Funds are being used to support legal resource centers which provide legal aid for political defendants, fund research to oppose the enforcement of apartheid laws, investigate police actions which result in loss of life, as well as various non-formal, community based education programs.

5. The design of an expanded South Africa program requires increased funding from the Planning Management and Research Project (674-0206). $775,000 is programmed for that purpose. The Special Self-Help Fund (674-9901) includes aid to finance small, community based efforts directed toward improving their economic and social conditions, and $275,000 is planned for FY 1986 out of Southern Africa Regional funds.

B. New Activities in FY 1986

In January 1986, A.I.D. undertook an intensive review of its program in South Africa through contact with about 25 different community organizations as well as national and local civic leaders from the black community. What emerged from these discussions were proposals to undertake three new project beginning in FY 1986 which would implement the objectives contained in the President's Executive Order, and demonstrate the clear commitment of the United States to promoting change in South Africa. A total of $6.0 million is planned for obligation in FY 1986 to undertake the new projects, of which $1.215 million is budgeted in the Southern Africa Regional program and $4.785 million is made available from ESF funds earmarked by A.I.D. specifically for South Africa.

1. Community Outreach and Leadership Development (674-0301). Throughout South Africa today an expanding number of local and regional community organizations are emerging to cope with a broad range of community social and economic problems. This development reflects a growing consensus in South Africa that economic and social change requires that local and private associations of citizens organize themselves.

As new groups form, or existing organizations expand their programs, leadership is coming forward which is often untrained and lacks the management capability to undertake urgent community needs. Many of the new organizations are registering as private trusts so that they can receive tax free donations from South African and international sources. Some have applied for and/or received human rights or self-help grants from the United States. These programs include privately funded community service projects operating out of South African university campuses, projects sponsored by neighborhood civic groups in the Crossroads Squatter Camp near Cape Town, adult education and training programs operated out of the Funda Center in Soweto, and numerous church sponsored health and welfare community programs in rural areas, to name only a few. None of these programs are associated with the South African Government.

In response to this grassroots emergence of neighborhood development organizations and leaders, and to help established organizations expand their operations, A.I.D. will start in FY 1986 a Community Outreach and Leadership Development project. The project is planned to cost $10.0 million over a five-year period with initial obligation this fiscal year of $2.0 million. While only two to three grant recipients will be funded during the first year, other grantees will be included as the project progresses. Where possible these institutional grants will be awarded on a matching basis with other private U.S. or South African donors.

2. Alternative and Non-Formal Education (674-0302). During the past year South Africa has been beset by a rapidly escalating militancy among black and colored secondary school students that has resulted in serious disruptions to the formal education system. Professional educators, parents and individuals in the private sector are concerned both about the

possibility of further school closures, and the poor quality of instruction within the formal system when it is operating. As a result, groups of concerned South Africans have formed all over the Republic to develop non-formal educational programs at the community level and to train and retrain teachers for the formal system. The objective is to improve the quality of education and to sensitize teachers to the broader needs of the communities they serve. These community-based efforts are undertaken as private initiatives and are not financed or sponsored in any way by the South Africa Government's Department of Education and Training.

The number of private groups which are now coming forward with new or expanded non-formal and alternative education programs is a demonstration of the extent to which South Africans are now prepared to take into their own hands the resolution of South Africa's education crisis. A.I.D. proposes to respond with a five-year program of support beginning in FY 1986. Up to $10.0 million will be committed over this period, and of that amount $2.0 million is planned in FY 1986 ($1.215 million from Southern Africa Regional funds and $785,000 from additional ESF funds earmarked for South Africa). These funds will be used to finance direct grants to South African organizations working in areas such as (a) development of preparatory materials to help black students gain entrance to universities in South Africa, (b) training and retaining of teachers outside the formal system, (c) development of supplemental materials to assist students at all levels, and (d) support for community efforts to work with students and teachers outside the classroom in a variety of alternative education programs. We propose to undertake direct grants to South African community organizations and matching grants with other private U.S. and South African donors.

3. Black Business Development and Expansion (674-0303). If the South African economy is to survive the political transition now taking place, there must be a concerted effort both to develop skills and management capacity within the black business community and to increase access of that community to financial markets. In the eyes of many black South Africans, apartheid and an economic system based on private enterprise are seen as inter-linked. In fact, nothing could be more alien to the private enterprise system than a highly regulatory, exclusionary political system based on race--with all the distortions that system causes in terms of markets for goods, access to labor, and mobility.

A.I.D. has been assisting the small black entrepreneur in South Africa through a training project developed with the National African Federated Chambers of Commerce (NAFCOC). That project, Entrepreneurial Training for Disadvantaged South Africans, began in FY 1983 and will continue to receive a high priority in allocation of A.I.D. funds. The project is being implemented under contract with a minority owned U.S. firm which is assisting NAFCOC in developing a new training curriculum for the black entrepreneur. Beginning in FY 1986 this training activity will be incorporated into project 674-0303.

It is clear, however, that training alone will not suffice if the black business community is to expand its influence over the economic growth of South Africa. If South Africa's black population is to have an opportunity to shape its own destiny, the emerging black business community must gain access to financial credit. That objective can only be achieved if South Africa's lending institutions begin to give priority to the financial needs of the black community, or if the black community itself begins to mobilize capital to finance black business investment.

In order to increase opportunities for black business and thereby help prepare the economy for the political transition taking place, A.I.D. plans to start a new project in FY 1986 focused on the twin objectives of entrepreneurial training and credit expansion. A five-year project requiring $12.0 million is planned. In FY 1986 $2.0 million will be obligated to finance credit expansion to the black community through a South African black owned and managed banking institution. A.I.D.'s funds will permit expansion of the bank's capital base thereby permitting a leveraging of more resources into the black economy. It is anticipated that matching funds will be forthcoming from other U.S. and South African corporate or financial sources during the life of project.

Requested Year Program FY 1987

The South Africa program proposed for FY 1987 expands upon the increased level of activity begun the previous year. A.I.D. requests $25.0 million for South Africa programs in FY 1987, of which $15.0 million is budgeted in the Southern Africa Regional Program (DA and ESF), and $10.0 million is proposed to come from a special ESF allocation for South Africa. This special allocation is requested in recognition of the urgency of the internal political crisis in South Africa today.

Southern Africa Regional funds will be required to finance a core program of high priority continuing activities in South Africa. $5.725 million is requested to provide increased scholarship programs in the United States under Training for Disadvantaged South Africans (674-0213). Several hundred South Africans will continue to receive scholarships under the South African Bursaries project (674-0230) and $5.5 million will be required for that program in FY 1987. Similarly, both the South Africa Human Rights (674-9801) and Labor Union Training for Disadvantaged South African (674-0223) projects will require $1.5 million each in FY 1987 to sustain increased program activity in those areas. A.I.D. also plans an additional $275,000 for the Special Self-Help Project (674-9901). Planning, Management and Research (674-0206) will require $500,000 in FY 1987.

Under the special $10.0 million allocation for South Africa, the three new project initiatives begun in FY 1986 will be continued. The Local Community Outreach and Leadership Development project (674-0301) will require $3.0 million as new grantees are identified and activities begun in FY 1986 are expanded. The focus on the education crisis in South Africa will require increased commitments of $3.5 million in FY 1987 to Alternative and

SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

Non-Formal Education (674-0302). Phase II of the entrepreneurial training program will begin in FY 1987, and continued expansion of credit facilities for the black business community will require $3.5 million for the Black Business Development and Expansion project (674-0303).

A.I.D. AFFAIRS OFFICER - Jimmy Philpott

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH OBLIG-ATIONS	FY 85-EXPENDI-TURES	-ESTIMATED OBLIG-ATIONS	FY86-EXPENDI-TURES	PROPOSED OBLIG-ACTION	FY 87 EXPEN-TURES
ECONOMIC SUPPORT FUND												
COMMUNITY OUTREACH & LEADERSHIP DEVELOPMENT		674-0301	86	89	---	10,000	---	---	2,000	500	3,000	2,500
ALTERNATIVE & NON-FORMAL EDUCATION		674-0302	86	89	---	8,785	---	---	785	200	-9,500	2,000
BLACK BUSINESS DEVELOPMENT AND TRAINING		674-0303	86	89	---	12,000	---	---	2,000	2,000	3,500	3,500
TOTAL FOR ACCOUNT**												
GRANTS					---	30,785	---	---	4,785	2,700	10,000	8,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY												
GRANTS					(61,634)	(96,019)	(22,154)	(12,421)	(20,550)	(11,250)	(25,000)	(17,635)
LOANS					---	---	---	---	---	---	---	---
(Including Portion charged to Southern Africa Regional Program)												

**Equals total funded from South Africa (Disadvantaged South Africans) Program

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*Refers to the planned project summary sheet

L Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOUTH AFRICA (DISADVANTAGED SOUTH AFRICANS)

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OR FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH OBLIG-ATIONS	FY 85- EXPENDI-TURES	-ESTIMATED OBLIG-ATIONS	FY86- EXPENDI-TURES	PROPOSED OBLIG-ACTION	FY 87 EXPEN-TURES
EDUCATION AND HUMAN RESOURCES (Funded by S.A. Regional Program)												
TRAINING OF DISADVANTAGED SOUTH AFRICANS	G	647-0213	82	89	(22,000)	(22,000)	(12,050)	(6,547)	(3,840)	(2,500)	(3,000)	(2,500)
TOTAL FOR ACCOUNT												
GRANTS					(22,000)	(22,000)	(12,050)	(6,547)	(3,840)	(2,500)	(3,000)	(2,500)
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND (Funded by S.A. Regional Program)												
SOUTHERN AFRICA PLNG MANAGEMENT RESEARCH	G	674-0206	80	C	--	--	(7)	(5)	(775)	(775)	(500)	(500)
TRAINING OF DISADVANTAGED SOUTH AFRICANS	G	674-0213	82	89	(16,119)	(16,119)	(4,831)	(2,790)	(1,160)	(2,000)	(2,725)	(2,000)
LABOR UNION TRAINING FOR DISADVANTAGED SOUTH AFRICANS	G	674-0223	83	86	(4,300)	(7,900)	(1,893)	(828)	(1,500)	(700)	(1,500)	(900)
SOUTH AFRICA BURSARIES	G	674-0230	85	88	(10,000)	(10,000)	(860)	---	(5,500)	(500)	(5,500)	(1,500)
ALTERNATIVE & NON-FORMAL EDUCATION	G	674-0302	86	89	---	(1,215)	---	---	(1,215)	(300)	---	(300)
HUMAN RIGHTS FUND (S.A.)	G	674-9801	79	C	---	---	(1,524)	(547)	(1,500)	(1,500)	(1,500)	(1,500)
SPECIAL SELF-HELP DEVELOPMENT	G	674-9901	80	C	---	---	(989)	(704)	(275)	(275)	(275)	(275)
TOTAL FOR ACCOUNT												
GRANTS					(38,419)	(63,234)	(10,104)	(4,874)	(11,925)	(6,050)	(12,000)	(7,175)
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUDAN

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                                                FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (650) SUDAN
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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      22,972

PER CAPITA GNP.......... (DOLLAR:,1983)         400

ANNUAL PER CAPITA REAL GNP GROWTH RATE.  (1965-83)  1.3%

ANNUAL RATE OF INFLATION (1973-83) 18.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1968)   4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 48.3  MALE 46.7  FEMALE 50.0
                     (1970)   TOTAL 41.8  MALE 40.6  FEMALE 43.0

ADULT LITERACY RATE  (1966)   TOTAL  15%  MALE  25%  FEMALE   4%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -3.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    31%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       29


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: SORGHUM ,PEANUTS ,MILLET                35%   (1984)
  CASH   COTTON ,SESAME SEED ..                        15%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,SESAME SEED ..

MAJOR AGRICULTURAL IMPORTS:(1984) SORGHUM ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE.........(1980)    72%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1979)      1,288 (80)      1,332 (82)      1,102
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1979)      1,608 (80)      1,591 (82)      1,450
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1979)       -320 (80)       -260 (82)       -348
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979)  9.7% (80) 12.9% (82)  9.4%
  AS % OF GNP................. (1979)  2.1% (80)  2.5% (82)  1.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)    21 (83)    17 (84)    17
  EQUIVALENT TO  0.2 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COTTON         ,GUM ARABIC     ,PEANUTS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   13  (1983)   12  (1984)   20
   AS % OF TOTAL EXPORTS (1981)    8% (1982)    4% (1983)    3%

MAJOR IMPORTS(1983)TEXTILES       ,PETROLEUM PRODS,FOODSTUFFS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  122  (1983)  123  (1984)  149
   AS % OF TOTAL IMPORTS (1981)   12% (1982)   16% (1983)   19%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -845(82)   -350(83)  -187

TRADING PARTNERS: UNITED KINGDOM ,SAUDI ARABIA ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    91.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   145
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)..... (1983)  28.0%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.8% (1978)   3.7% (1985) -0.2%

POPULATION IN URBAN AREAS............(1970)    16%   (1985)   29%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     ..   (1985)     46

MARRIED WOMEN AGED 15-44 YRS  USING CONTRACEPTION.   (1979)   4.9%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 45.0% (15-64YRS) 52.2% (65+ YRS)  2.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 114

PEOPLE PER PHYSICIAN.................. (1980)  8,928

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,INTESTINAL INFEC,STREP INFECTION
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    96%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1978)  46%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1981)  TOTAL  47.5   MALE  55.4    FEMALE  39.0
SECONDARY........ (1981)  TOTAL  16.4   MALE  18.8    FEMALE  11.5
POST SECONDARY... (1981)  TOTAL   1.6   MALE   2.0    FEMALE   0.7

ENERGY PRODUCTION AS % OF CONSUMPTION..............(1983)      3.9%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SUDAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	96.4	109.4	151.8	166.3	197.5	815.8	24.0	791.8
Loans	25.0	30.0	25.0	50.0	50.0	163.1	24.0	139.1
Grants	71.4	79.4	126.8	116.3	147.5	652.7	-	652.7
a. A.I.D. and Predecessor Agencies	70.1	74.5	124.9	115.3	146.3	639.3	14.8	624.5
Loans	-	-	-	-	-	23.8	14.8	9.0
Grants	70.1	74.5	124.9	115.3	146.3	615.5	-	615.5
(Economic Support Fund)	40.0	50.0	100.0	82.3	120.0	392.3		
b. Food for Peace (PL 480)	26.3	34.9	26.9	51.0	51.1	176.4	9.2	167.2
Loans	25.0	30.0	25.0	50.0	50.0	139.3	9.2	130.1
Grants	1.3	4.9	1.9	1.0	1.1	37.1	-	37.1
Title I – Total Sales Agreements	25.0	30.0	25.0	50.0	50.0	143.6	9.2	134.4
Repayable in U.S. Dollars – Loans	25.0	30.0	25.0	50.0	50.0	122.5	5.5	117.0
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	21.1	3.7	17.4
Title II – Total Grants	1.3	4.9	1.9	1.0	1.1	32.8	-	32.8
Emerg. Relief, Econ. Develop. & World Food Program	0.7	3.2	0.5	1.0	1.1	24.6	-	24.6
Voluntary Relief Agencies	0.6	1.7	1.4	-	-	8.2	-	8.2
c. Other Economic Assistance	-	-	-	-	0.1	0.1	-	0.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	0.1	0.1	-	0.1
Peace Corps	-	-	-	-	0.1	0.1	-	0.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	25.4	32.3	101.2	44.3	46.5	257.3	38.7	218.6
Credits or Loans	25.0	30.0	50.0	-	-	111.3	38.7	72.6
Grants	0.4	2.3	51.2	44.3	46.5	146.0	-	146.0
a. MAP Grants	-	1.7	-	43.0	45.0	89.7	-	89.7
b. Credit Financing – FMS	25.0	30.0	50.0	-	-	111.3	38.7	72.6
c. Intl Military Education & Training Program	0.4	0.6	1.2	1.3	1.5	6.3	-	6.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	50.0	-	-	50.0	-	50.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	121.8	141.7	253.0	210.6	244.0	1073.1	62.7	1010.4
Loans	50.0	60.0	75.0	50.0	50.0	274.4	62.7	211.7
Grants	71.8	81.7	178.0	160.6	194.0	798.7	-	798.7
Other U.S. Government Loans and Grants	-	1.2	-	27.4	-	44.4	47.5	3.1-
a. Export-Import Bank Loans	-	-	-	-	-	14.8	19.6	4.8-
b. All Other Loans	-	1.2	-	27.4	-	29.6	27.9	1.7

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL........	132.1	92.9	75.6	1347.2
IBRD	0.0	0.0	0.0	159.2
IFC	0.0	0.0	0.0	33.2
IDA	130.0	91.4	37.5	909.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	38.1	116.9
UNDP	2.1	1.5	0.0	84.2
Other-UN	0.0	0.0	0.0	43.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	131.0	158.0	448.0
Germany,Fed. Rep.	56.0	67.8	481.7
United Kingdom	68.7	48.8	277.6
Netherlands	26.3	34.4	195.3
Japan	9.9	25.5	98.6
Other	68.8	108.8	322.4
Total	360.7	443.3	1,823.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
176.4	N.A.	877.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	65
Eastern Europe	-	-	270
Total	-	-	335

SUDAN

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	142,000	23,313	540	1,140	-	3,007	114,000	-
Total	142,000	23,313	540	1,140	-	3,007	114,000	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	87,812	25,200	1,050	350	-	1,400	59,812	-
Total	87,812	25,200	1,050	350	-	1,400	59,812	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	118,000	23,005	2,250	50	-	2,695	90,000	-
Total	118,000	23,005	2,250	50	-	2,695	90,000	-

FY 1987
PROGRAM HIGHLIGHTS

- Balance of payments assistance and support of economic policy reforms ($90.0 million).
- P.L. 480 commodities to help meet food requirements, provide balance of payments support and support policy reform ($53.7 million).
- Agriculture infrastructure, research and technology development and dissemination ($23.0 million).

SUDAN

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY** 1985 **(Actual)**	**FY** 1986 **(Estimated)**	**FY** 1987 **(Proposed)**
Aid *			
Loans	-	-	-
Grants	64,804	137,286	173,159
Total AID	64,804	137,286	173,159
P.L. 480 **			
Title I	64,500	45,000	50,000
(of which Title III is)	(-)	(20,000)	(20,000)
Title II	89,507	879	3,731
Total P.L. 480	154,007	45,879	53,731
Total AID and P.L. 480	218,811	183,165	226,890

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	**FY** 1985 **(Actual)**		**FY** 1986 **(Estimated)**		**FY** 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	457,000	64,500	315,000	45,000	378,000	50,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	457,000	64,500	315,000	45,000*	378,000	50,000
(of which Title III is)	-	-	(148,000)	(20,000)	(150,000)	(20,000)
Title II [1]						
Voluntary Agencies	1,370	391	3,060	879	20,829	3,731
Government - to - Government	560,866	89,116	-	-	-	-
Title II Total	562,236	89,507	3,060	879	20,829	3,731
Total P.L. 480	1,019,236	154,007	318,060	45,879	398,829	53,731

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

* Above excludes $5.0 million to pay for ocean freight costs.

SUDAN

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	34	32	32
PASA[b]	1	2	2
TOTAL	35	34	34

[a] *Full time equivalent work years of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	19	64	83	54	43	97	42	24	66
Regional[e]	30	25	55	25	26	51	15	28	43
TOTAL	49	89	138	79	69	148	57	52	109

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	25	25	-	10	10	-	10	10
Regional[e]	-	-	-	-	-	-	-	-	-
TOTAL	-	25	25	-	10	10	-	10	10

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SUDAN

Development Overview

Sudan is geographically the largest country in Africa. While its agricultural potential and arable land to population ratio are very favorable, its vast size has seriously constrained the development of the economy. Sudan is as large as the United States east of the Mississippi River, with fewer miles of paved roads than Rhode Island. Economic and political problems and three years of severe drought have drawn attention away from investment in growth to short-run political and economic survival. Sudan now faces an external debt of $9 billion and is unable to keep up interest payments, let alone payments on principal. Both Sudan's political challenge and economic requirements are formidable.

Ill-advised economic policies have contributed to Sudan's lack of growth over the past 10-15 years. A move in the early 1970's toward public control of the means of production proved to be economically disastrous. The government has adjusted some economic policies but the economy has been unable to respond. Sudan has been constrained by the necessity to meet a large debt burden and to come to terms with the IMF over sizeable arrears, which the Government of Sudan (GOS) has tried to do by concentrating its limited foreign exchange resources in the government's hands for debt servicing.

There are no immediate prospects for increased export earnings, and credit possibilities have largely dried up. Capital flight has been significant and business investment is at a virtual standstill. Sudan's one major foreign exchange asset, stored cotton, will have an estimated value of only about $530 million, since it is of low quality and the international cotton market is weak.

The drought cost the Sudanese economy approximately $300 million in export earnings during 1985. By October 1985 Sudan's arrears on its external debt were over $400 million, its foreign exchange reserves were virtually zero, and imports of essential economic inputs, such as fuel, were almost exclusively being financed by the donor community. Sudan enters the new fiscal year with a balance of payments gap of an estimated $860 million, and a budget deficit of one billion Sudanese pounds (approximately $300 million) despite a major effort at developing a realistic budget.

The insurgency in the South has drawn government attention and resources away from economic development and has halted a number of development projects, the two major ones being the construction of a pipeline to proven oil reserves, which would have brought in as much as $360 million per annum after 1986; and the digging of the Jonglei Canal, which would have significantly increased the Nile River's irrigation and navigation possibilities.

In 1984/5, donors provided over one million tons of imported grain, millions of dollars of support costs and millions of pounds in counterpart funds to mount perhaps the largest drought relief effort ever attempted. Development resources, including approximately $80 million in U.S. generated Sudanese pounds that would otherwise have gone to development projects, were devoted to drought relief.

SUDAN

Based on good rains during 1985, the Government of Sudan (GOS) is predicting a bumper sorghum crop during the November/December 1985 harvest. USAID estimates that the crop will come close to meeting Sudan's sorghum and millet requirements. Major internal distribution problems and limited effective income in areas of the traditional rainfed sector will still need to be addressed. The peanut harvest is not expected to be more than one-third of a normal crop and Sudan will continue to be deficient in wheat (perhaps by 450,000 MT). Without continued donor assistance, pockets of malnutrition will persist among dislocated portions of the population.

In order to spur economic growth, 1-2 good years of adequate rains will be required. Extraordinary donor resource flows will be necessary in addition to massive debt rescheduling. On the part of the GOS, more progressive and comprehensive policy reform will be required. This will necessitate new fiscal measures to reduce a massive budget deficit, curbing of monetary expansion, dismantling administered pricing, reducing an overvalued exchange rate, implementing aggressive cotton marketing policies, and providing incentives for private sector investment and growth. A new focus on the supply-side of the economy, coupled with appropriate demand management, largely directed towards reducing consumption, are urgently required.

U.S. Interests and Objectives

Sudan is important to U.S. security interests in Egypt, the Red Sea littoral and the Horn of Africa. With both African and Arab cultural influences, Sudan's geographic reach contributes to its significance inasmuch as it borders on eight other countries, which together constitute half the area of the continent. In economic terms, Sudan could become an important exporter of food as its agricultural endowment is superior to virtually all of its neighbors.

In April 1985, a bloodless coup overthrew the 16-year rule of President Gaafar Nimeiri. Since then, Sudan has been governed by a Transitional Military Council and a civilian Council of Ministers, with popular elections scheduled for April 1986. Since the coup, Sudan's nascent democracy, including newly emerged political parties and a freer press, is trying to take root. It is in the interest of the U.S. to support the development of democracy in Sudan. Continued U.S. economic assistance to the country is a direct and visible means of affirming that support and promoting longer-term economic and political stability.

A.I.D. Development Strategy

Over the past four years, A.I.D.'s strategy has stabilized the economy in the short-run by financing essential agricultural and industrial inputs through the relatively quick-disbursing Economic Support Fund and PL 480 Titles I and III programs. In addition, development assistance has fostered longer-term development, aimed at institutional change and economic recovery and growth, particularly in the rainfed agriculture, energy and health sectors. Economic policy reform has been at the heart of A.I.D.'s overall strategy. The Commodity Import and PL 480 programs have been important mechanisms to maintain a high level policy dialogue with GOS policy makers, encourage much needed reform and direct resources to key elements of the Sudanese economy.

A.I.D. has been instrumental in encouraging some of the economic reforms that have been undertaken by the GOS. In 1983 and 1984 the government, as a result of negotiations under the PL 480 program, eliminated a $40 million budget subsidy and 30% foreign exchange rate subsidy on bread. In late 1984, A.I.D. was instrumental in encouraging the GOS to depreciate the commercial bank foreign exchange rate by 14% and the export foreign exchange rate by 42% to provide financial incentives to exporters and producers of exportables. Unfortunately this move was largely invalidated by the drought. In addition, A.I.D. has encouraged higher producer prices for both domestically produced wheat and rainfed sector crops by implementing the principle of export parity pricing. In early 1985 under the Petroleum Initiative, A.I.D. encouraged the government to adopt import parity pricing for petroleum products which resulted in major price increases and greatly reduced government subsidies. By introducing competitive procurement, Sudan has imported more fuel with its scarce foreign exchange. Sudan is now planning to revise its system of internal distribution to give the private sector more say in allocation plans. However, despite the progress made, some imports are implicitly subsidized.

A great deal remains to be done to provide adequate financial incentives for private sector growth. The private sector is virtually cut off from access to foreign exchange from the banking system, and outmoded administered prices presently do not permit the private sector to cover the cost of acquiring foreign exchange from the black market. Also, the private sector must compete with the public sector for import licenses. The combination of these factors has not encouraged private sector investment and has in fact forced the private sector to either periodically close down or operate at uneconomic levels of output.

In conjunction with the economic policy focus of its strategy, A.I.D. is encouraging the development of Sudan's rainfed agricultural subsector. Studies carried out by A.I.D. clearly show that the rainfed subsector's contribution to net agricultural foreign exchange earnings is far greater than that of the irrigated subsector. In contrast to irrigated production, the labor-intensive nature of traditional rainfed agriculture and the minimum foreign exchange requirements for capital inputs assure high private returns to investments in technology and high social returns from infrastructure and appropriate policy reform.

Even without the present security situation, the South poses extraordinarily difficult conditions for encouraging economic development. While it is unlikely that any new development activities can be launched in the near term, A.I.D. will continue to support existing projects on a modified scale. An action plan has been drafted which can serve as the foundation for a discrete development effort once a political accommodation brings an end to the insurrection.

SUDAN

A.I.D. Program (FYs 1985-1986)

In FY 1985 the A.I.D. program concentrated largely on famine relief efforts for a target population of about 9.5 million people. A total of 594,825 metric tons of emergency food aid was provided at cost of $176 million. Nearly $80 million in U.S. generated Sudanese pounds were diverted from the GOS development budget to finance inland transportation and distribution costs of donor supplied food relief. In addition, over $25 million was allocated for railroad repair, locomotives and spare parts, food distribution/monitoring, water drilling equipment, medical supplies and other items to support relief and rehabilitation activities.

Despite the disruptive effects of this effort, the development program moved forward. Under the ESF program, A.I.D. obligated $40 million for the Petroleum Initiative and $21 million for the C.I.P. Fifty million dollars were reserved for temporary, short-term commercial loan guarantees to enable Sudan to deal with some of its immediate financial requriements. These guarantees will be made only if required as part of a comprehensive economic reform program. Once the short-term bank loans are repaid by the GOS and the guarantees are no longer required, these funds will revert to normal C.I.P. uses. During the fiscal year, $77.7 million was disbursed under the PL 480 Title I program.

In FY 1986 the Mission's famine relief efforts are expected to change from a general distribution program for 9.5 million people to a targeted feeding program addressing food grain and supplemental feeding requirements for as many as 2.5 million people who were either dislocated by the drought or unable to plant a crop. Sudan could be self-sufficient in sorghum in the aggregate this year; however, deficit grain production areas and inadequate rural incomes are expected to persist through 1986. Relief efforts will continue with private voluntary organizations and other donors,working with U.S. resources, expected to take the principal responsibility for managing the new relief program. Other donors will be expected to shoulder a larger proportion of the burden. The World Food Program will be asked to support this effort. A.I.D. will largely shift back to normal development activities, focusing on restoration of the productive capacity of the rainfed agricultural sector. All rehabilitation efforts will be incorporated into our rainfed agricultural development program.

A. Economic Support Fund (ESF)

In FY 1985, the Economic Support Fund (ESF) totalled $114 million: (1) $3 million for the Policy Analysis and Implementation project (650-0071) under which economic research and analysis is conducted to support the policy dialogue/reform effort, (2) $111 million for the Commodity Import Program (C.I.P.), of which $40 million was provided for the second tranche of the Petroleum Initiative, $21 million for commodity imports and $50 million still reserved for a loan guarantee for further commodity imports once an accommodation is reached with the IMF.

In FY 1986, ESF will total $59.8 million which will include a C.I.P. for procurement of essential commodities, including petroleum and agricultural inputs. A.I.D. will continue to emphasize support of the private sector and policy reform will focus on sectoral, institutional and pricing issues, export incentives, revenue generation, foreign exchange budgeting and improved import administration.

B. P.L. 480

The FY 1985 P.L. 480 program expanded dramatically with a massive feeding program in response to the drought and famine. The Title II and Section 416 emergency program totalled $176 million (commodities and freight) under the government-to-government program. In addition to the emergency program, a Maternal/Child Health Title II program focusing on the urban poor in Khartoum was carried out by the Adventist Development Relief Agency (ADRA). The Title I program for Sudan was increased in FY 1985 from $50 million to $77.7 million (this included $13.2 for ocean freight).

In FY 1986, a total of $45 million is programmed for Title I and III for the continuation of wheat and wheat flour imports. A new three year Title III Food for Development Program will focus on local development activities in the rainfed agricultural sector of Western Sudan, involving both policy reform efforts and local currency investments.

The Title III program, combined with the Regional Finance and Planning project, and elements of the C.I.P. programmed to support the rural private sector in Western Sudan, will provide the means to implement the Mission's rainfed agricultural strategy. Activity will center in Kordofan Region, a drought stricken area as large as California. Self help activities for agricultural rehabilitation will support the development of small scale water systems to serve agriculture, to improve village water supplies and to strengthen local initiative and increase local reserves. Construction of feeder roads will also be encouraged. This activity is expected to have a major impact on the Kordofan Region, by assisting with development of decentralized, regional revenue generating mechanisms to support development activities without relying solely on the central government.

The ADRA Maternal/Child Health Title II program will continue in FY 1986. Title II emergency supplementary feeding proposals (from U.S. PVO's) to meet requirements in food deficit areas through 1986 are currently under review.

C. Development Assistance

1. Agriculture, Rural Development and Nutrition

In FY 1985, two market oriented projects to increase production in the rainfed sector and facilitate efficient marketing of agricultural commodities continued. Design work is proceeding on the Western Agriculture Marketing Road project (650-0069). The Kordofan Rainfed Agriculture project (650-0054) will improve feeder roads and provide agriculture credit and grain storage facilities in the rainfed area served by the Western Road project. A private voluntary organization (PVO) will implement the credit component of this activity by farmer cooperatives, providing technical assistance on financial management and identifying self help measures that cooperatives can finance. Under the Program Development and Support project

(P.D.S.) (650-0510) $450,000 was obligated for design of drought rehabilitation activities and the new FY 1987 Agricultural Research and Production project (650-0075).

No new projects have been proposed for FY 1986. Nineteen million dollars will be obligated for the Western Agricultural Marketing Road (650-0069) and $6 million for the Kordofan Rainfed Agricultural project (650-0054).

2. Health

Efforts in health are focused in the southern and western regions. To deal with a major deterioration in the health and nutritional status of much of the rural population due to the recent drought and famine, A.I.D. is emphasizing child survival services delivery under the Rural Health Support project (650-0030). Emphasis is on development of regional immunization and oral rehydration programs in the north and the institutionalization of maternal and child care services in the south. Improved survey mechanisms to determine malnutrition levels and food availability/accessibility for targeted emergency feeding programs will also assist with upgrading the nutritional status of the drought affected population. Epidemiological research on schistosomiasis is being emphasized through the Health Constraints to Rural Production project (650-0073). Under the P.D.S. project (650-0510) $58 thousand in FY 1985 and $350 thousand in FY 1986 will be used to initiate an assessment of the epidemiology, treatment, and control of malaria in western Sudan; an assessment of health delivery cost recovery systems; and the study of community supported primary health care systems.

3. Population

In FY 1985 $500 thousand fully funded the Model Family Planning project (650-0063) to deliver MCH/FP services to 15,000 clients in FY 1986. Under the P.D.S. project (650-0510), $40 thousand was obligated to continue design work on the Commercial Retail Sales project (650-0072).

In FY 1986, $1 million will be obligated for the Commercial Retail Sales project and $50 thousand under the P.D.S. project (650-0510) will be utilized to explore more opportunities to develop effective family planning activities.

4. Selected Development Activities

In FY 1985, $3.007 million was obligated: $700 thousand for the Regional Finance and Planning project (650-0012) to assist in the development of local planning and financing capacity; $207 thousand under the P.D.S. project (650-0510), the bulk of which was utilized for famine relief design and management; and $2.1 million for energy related activities.

In FY 1985 under the Commodity Import Program, additional funding was provided for Blue Nile Grid rehabilitation. This included urgently needed power conductors and cables to restore services, strengthen overloaded feeders and provide services to new industrial, commercial, and residential areas. Under the Energy Planning and Management project (650-0059) a rate structure study was completed which is expected to be the initial step in restoring the financial viability of the NEC. The Rural Renewable Energy project (650-0041) continued activities in development and dissemination of improved charcoal stoves, initiation of agroforestry activities and testing of a briquetting machine.

In FY 1986, the Energy Planning and Management project (650-0059) will strengthen NEC management and financial controls under the C.I.P.-funded, Blue Nile Grid rehabilitation. Consultants will assist with procurement, installation and operation of approximately $10 million in C.I.P. funded commodities for power system rehabilitation and improvement. An additional $500 thousand will be obligated for the Rural Renewable Energy project (650-0041) to emphasize the commercialization of new technologies.

5. Migration/Refugee Assistance/Disaster Assistance

In FY 1985, over $25 million was provided to directly benefit famine affected people in Sudan (including costs of internal food distribution, medical supplies, and other items in support of relief activities).

Requested Year Program (FY 1987)

A. Economic Support Fund (ESF)

For FY 1987, $90 million is requested to finance essential commodity imports (e.g. agricultural inputs, spare parts, petroleum) to assist Sudan in overcoming its foreign exchange crisis and support reform and economic growth. The private sector will be a focus of attention, particularly agro-industrial activities designed to enhance the productivity of the rainfed agricultural sector. Economic reforms will be aimed at providing the policy environment required by the private sector to increase productive capacity and export competitiveness. As the security situation permits, funds will be directed specifically to the south. Local currency generated under the program will be programmed towards combatting desertification, improving rural water supplies, improving commodity markets and generally supporting the rural private sector.

B. P. L. 480

The P.L. 480 Title I program for FY 1987 is programmed at $50 million, of which $20 million will be provided under the second year of a three year Title III Food for Development program. This program will be used to inject substantial investment into the rainfed agricultural sector of Western Sudan in the form of feeder roads, storage, water development and provision of credit. Policy negotiations will focus on removal of financial disincentives to increasing agricultural production and rural investments. To continue the P.L. 480 Title II (non- emergency) ADRA Maternal/Child Health (MCH) program, $3.7 million is requested.

C. Development Assistance

1. Agriculture, Rural Development and Nutrition

For FY 1987 one new project is proposed, Agriculture Research and Production (650-0075), with initial funding of $8.3 million. This project will build upon the Western Sudan Agriculture Research project (650-0020) to intensify commodity research on sorghum, millet and peanuts, to strengthen the Agriculture Research Corporation's capacity to accelerate research on crops in the rainfed areas of the country, and to strengthen production linkages with the private sector. Incremental funding of $8.1 million for Kordofan Rainfed Agriculture (650-0054) and $6.356 million for the Western Agricultural Marketing Road (650-0069) are proposed. P.D.S. funds (650-0510) of $249 thousand are requested for additional analysis of the rainfed sector in support of overall sectoral development efforts.

2. Health

During FY 1987, under P.D.S. (650-0510), $50 thousand is proposed to complete health studies conducted during the previous two years and to initiate project design activities for a Phase II Rural Health Support project.

3. Population

Incremental funding of $2.2 million is proposed for the Commercial Retail Sales project (650-0072). $50 thousand in P.D.S. funds (650-0510) is proposed to continue efforts to develop more effective family planning activities in Sudan.

4. Selected Development Activities

For FY 1987 energy activities will be the focus of the $2.695 million proposed for SDA funding. For the Energy Planning and Management project (650-0059), $1.995 million is proposed for management studies, development of staffing criteria and management training which will complement the anticipated investment in commodities for the National Electricity Corporation (NEC) under the C.I.P. program. An additional $600 thousand is requested to fully fund the Rural Renewable Energy project (650-0041). Under P.D.S. (650-0510), $100 thousand is requested for additional design work directed at improving Sudan's energy situation.

MISSION DIRECTOR: William R. Brown

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SUDAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
REGIONAL FINANCE/PLANNING	G	650-0012	79	85	2,000	2,000	2,000	1,413	---	587	---	---
BLUE NILE INTEGRATED AG DEVELOPMENT	G	650-0018	78	83	12,032	12,032	12,032	11,324	---	361	---	347
WESTERN AGRICULTURAL RESEARCH	G	650-0020	78	82	26,000	25,383	25,383	13,854	---	3,500	---	3,500
SOUTHERN MANPOWER DEVELOPMENT	G	650-0021	79	82	6,640	6,420	6,420	4,266	---	174	---	---
SOUTHERN RURAL INFRASTRUCTURE PHASE I	G	650-0031	80	82	3,628	3,547	3,547	3,208	---	339	---	---
SOUTHERN ROAD MAINTENANCE REHAB.	G	650-0043	83	88	19,700	19,700	10,737	2,924	---	1,000	---	2,000
SOUTHERN REGION AGRI. DEV. I	G	650-0046	82	82	10,100	4,820	4,820	1,459	---	500	---	1,000
AGRICULTURAL PLANNING/STATISTICS	G	650-0047	81	83	7,300	7,300	7,300	2,919	---	1,000	---	1,000
KORDOFAN RAINFED AGRICULTURE (PVO)	G	650-0054	85	88	18,100	18,100	2,000	---	6,000	1,500	8,100	2,000
SUDAN AG MARKETING ROAD	G	650-0069	84	88	60,000	60,000	36,544	19	19,000	1,000	6,356	5,000
AGRI. RESEARCH & PRODUCTION	* G	650-0075	87	89	---	15,000	---	---	---	---	8,300	500
PROGRAM DEV. AND SUPPORT-SUDAN	G	650-0510	85	C	---	---	450	51	200	374	249	300
TOTAL FOR ACCOUNT					165,300	174,302	111,233	43,417	25,200	10,335	23,005	15,647
GRANTS					165,500	174,302	111,233	43,417	25,200	10,335	23,005	15,647
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
RURAL HEALTH SUPPORT	G	650-0030	80	81	1,881	1,881	1,881	578	---	500	---	500
MODEL FAMILY PLANNING PROGRAM (PVO)	G	650-0063	82	85	1,796	1,796	1,796	248	---	500	---	500
COMMERCIAL RETAIL SALES	G	650-0072	86	87	---	3,200	---	---	1,000	100	2,200	1,500

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SUDAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEV. AND SUPPORT-SUDAN	G	650-0510	85	C	---	---	40	---	50	50	50	50
TOTAL FOR ACCOUNT					3,677	6,877	3,717	826	1,050	1,150	2,250	2,550
GRANTS					3,677	6,877	3,717	826	1,050	1,150	2,250	2,550
LOANS					---	---	---	---	---	---	---	---
HEALTH												
NORTHERN PRIMARY HEALTH CARE	G	650-0011	78	80	5,863	5,963	5,863	5,716	---	147	---	---
RURAL HEALTH SUPPORT	G	650-0030	80	85	16,182	16,182	16,192	5,468	---	2,000	---	2,000
HEALTH CONSTRAINTS TO RURAL PRODUCTION	G	650-0073	85	85	---	---	2,122	990	---	---	---	---
PROGRAM DEV. AND SUPPORT-SUDAN	G	650-0510	85	C	---	---	59	---	350	50	50	50
TOTAL FOR ACCOUNT					22,045	22,045	24,225	12,174	350	2,197	50	2,050
GRANTS					22,045	22,045	24,225	12,174	350	2,197	50	2,050
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
REGIONAL FINANCE/PLANNING	G	650-0012	79	85	1,200	1,200	1,200	261	---	300	---	500
SOUTHERN ACCESS ROAD	G	650-0036	80	80	10,000	10,000	10,000	9,283	---	717	---	---
RURAL RENEWABLE ENERGY	G	650-0041	81	87	4,600	4,600	3,500	2,230	500	500	600	500
ENERGY PLANNING/MANAGEMENT	G	650-0059	82	87	8,450	8,450	5,455	3,287	700	1,000	1,995	1,000
PROGRAM DEV. AND SUPPORT-SUDAN	G	650-0510	85	C	---	---	207	39	200	200	100	100
TOTAL FOR ACCOUNT					24,250	24,250	20,362	15,099	1,400	2,717	2,695	2,100
GRANTS					24,250	24,250	20,362	15,099	1,400	2,717	2,695	2,100
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
COMMODITY IMPORT PROGRAM II	G	650-K602	81	81	50,000	50,000	50,000	49,896	---	107	---	---
COMMODITY IMPORT PROGRAM III	G	650-K603	82	82	100,000	100,000	100,000	97,961	---	976	---	---

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SUDAN

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
COMMODITY IMPORT PROGRAM IV		G	650-K604	83	83	60,250	60,250	60,250	44,444	---	15,806	---	---
COMMODITY IMPORT PROGRAM V		G	650-K606	84	84	102,000	102,000	102,000	43,599	---	22,000	---	---
COMMODITY IMPORT PROGRAM VI		G	650-K608	85	85	111,000	111,000	111,000	---	---	61,000	---	50,000
COMMODITY IMPORT PROGRAM VII		G	650-K609	86	86	---	59,812	---	---	59,812	20,000	---	39,812
COMMODITY IMPORT PROGRAM VIII	*	G	650-K610	87	87	---	90,000	---	---	---	---	90,000	60,000
POLICY ANALYSIS AND IMPLEMENTATION		G	650-0071	83	85	5,000	5,000	5,000	938	---	1,000	---	1,000
TOTAL FOR ACCOUNT						428,250	578,062	428,250	236,816	59,812	120,887	90,000	150,812
GRANTS						428,250	578,062	428,250	236,816	59,812	120,887	90,000	150,812
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						643,722	805,536	587,797	308,332	87,812	137,286	118,000	173,159
GRANTS						643,722	805,536	587,787	308,332	87,812	137,286	118,000	173,159
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SUDAN

PLANNED PROGRAM SUMMARY SHEET

Title Agriculture Research and Production		Funding Source	AG, RD & N 8,300	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 8,300	Life of Project Funding 15,000
Number 650-0075 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989
						Estimated Completion Date of Project FY 1989

Purpose: To (1) develop improved technology to increase extensive dryland farming production, (2) strengthen professional exchanges among International Agricultural Research Centers (IARCs) and the Sudanese Agricultural Research Corporation (ARC), (3) expand propagation of improved seed through the private sector, and (4) draw private sector (merchants, lenders, etc.) into determining new agricultural technologies which offer increased profits for all.

Project Description: This project will provide technical assistance, training and commodities necessary to strengthen capacity of the ARC to carry out commodity-oriented agricultural research, building on the current research base developed under the Western Sudan Agricultural Research Project (650-0020). It will demonstrate to the private sector the potential profits available through seed multiplication, production activities and the importation and distribution of agricultural inputs.

A 1984 report, "Agricultural Research in the Sudan," stressed the importance of the Mission's continuing commitment to western rainfed agricultural research. It identified technology development, improved infrastructure and price policy as critical components of a rainfed agricultural development strategy and technical assistance to focus research by commodity to achieve an increased output.

In 1986, A.I.D. will undertake a dryland research and production study to guide the Mission and other donors. It will also attempt to quantify costs and benefits which might realistically accrue to alternative research activities.

Relationship of Program to A.I.D. Country Strategy: This project is integral to A.I.D.'s efforts to improve western dryland agricultural production through targetted agricultural research and the development and dissemination of improved technology. The project is consistent with the A.I.D. plan to support African agricultural research in countries such as Sudan where high potential pay-off from long-term (15 to 20 years) agricultural research has been identified.

Host Country and Other Donors: Increasingly, the significance of rainfed production is being recognized. A World Bank study currently being finalized on Sudanese dryland agriculture fully supports A.I.D.'s efforts to gear agricultural research to short and long term technology development for producers in the rainfed sector. Both the World Bank and A.I.D. believe that investments in the rainfed sector will pay high returns.

Beneficiaries: Rainfed agriculture is the dominant cultivation system for 1.3 million farmers in Western Sudan, employs two-thirds of Sudan's rural population and has a comparative advantage in producing Sudan's basic food grains and cash crops.

Major Outputs

Strengthened professional linkages among the ARC and IARCs; increased GOS capacity to undertake commodity specific and cropping systems research for sustainable high-yielding technological packages for western rainfed agricultural areas.

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance/Commodities	13,160
Training - long and short term (9 MS, 6 Ph.D) and in-service training	1,840
	15,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	8,300	6,700	15,000

Principal Contractors or Agencies

To be selected

PROGRAM SUDAN

PLANNED PROGRAM SUMMARY SHEET

Title Commodity Import Program	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 90,000	Life of Project Funding 90,000
Number 650-K-610 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1987 Estimated Completion Date of Project FY 1987

Purpose: To provide short-term balance of payments support by financing essential imports including raw materials, capital equipment, and spare parts which contribute to domestic production, export earnings, maintenance and expansion of private sector productive capacity

Program Description: A chronic shortage of foreign exchange has prevailed in Sudan since the mid-1970's. The prospects are slim in the short run to reverse the economic downturn and the staggering increases in Sudan's external debt. The 1985 drought resulted in approximately $300 million in lost export earnings and the need for the importation of over one million metric tons (MT) of grain. Sudan's prospects for recovery will depend upon considerable economic restructuring and policy reform and major changes in the approach to management of the economy by public officials. Even with a solid commitment to immediate reform, recovery and economic growth, Sudan faces an uncertain future.

In FY 1987, A.I.D. proposes to provide $90 million for C.I.P. balance of payments support for high-priority imported commodities. Primary emphasis will be given to the import of commodities which will have the greatest impact on improving Sudan's balance of payments position and prospects for growth. Agricultural inputs will top the list of imported commodities. More specific information concerning commodities to be imported under the FY 1987 C.I.P. will be provided at the design stage and will fully support the Agency's policies for C.I.P. uses.

Relationship of Program to A.I.D. Country Strategy: A.I.D.'s strategy seeks to help Sudan stabilize its economy in the short-term through balance of payments support while simultaneously laying the foundation for long-term economic growth through a combination of policy reforms and the implementation of production and export-oriented agricultural projects.

Host Country and Other Donors: Similar commodity import programs are being financed by the World Bank and several European Economic Community donors. Saudi Arabia also provides substantial cash and balance of payment support. The magnitude of Sudan's current economic crisis is such that the economy is contracting and only a limited portion of Sudan's total capital needs can be met. The aim of the donor community is to assist Sudan to maintain political and economic stability until policies and investments intended to foster economic growth can take hold.

Beneficiaries: End users of imported commodities will be largely private, agricultural producers of exportable crops and manufacturers of import substitutes. The counterpart currency generated from the sale of imported commodities will be used for the local costs of administering the U.S. economic assistance program and for financing the local currency costs of Government of Sudan development projects designed to rehabilitate economic infrastructure and expand agricultural and industrial productive capacity.

Major Outputs

Improved utilization of existing idle productive capacity in both the private and public sector; increased export earnings through increased availability of requisite productive inputs; increased savings of scarce foreign exchange through import substitution activities.

A.I.D. Financed Inputs	Life of Project ($000)
Commodity grant	90,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	90,000	-	90,000

Principal Contractors or Agencies

To be selected

SWAZILAND

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                                FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (645) SWAZILAND

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)        750  (de facto)

PER CAPITA GNP.......... (DOLLARS,1983)        870

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.6%

ANNUAL RATE OF INFLATION (1973-83) 11.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 52.4  MALE 50.0  FEMALE 55.0
                        (1970)   TOTAL 47.2  MALE 45.2  FEMALE 49.4

ADULT LITERACY RATE  (1976)   TOTAL  55%  MALE  57%  FEMALE  54%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)   3.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    24%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1983)        59


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,LIVESTOCK ,PULSES                  52%   (1984)
  CASH: SUGARCANE ,CITRUS FRUIT ,BEEF AND VEAL          28%   (1984)

MAJOR AGRIÇULTURAL EXPORTS:(1984) RAW SUGAR .. ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,DAIRY PRODS. ,VEGETABLES

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)    34%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1983)        167 (84)         126 (85)         119
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1983)        183 (84)         138 (85)         127
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1983)        -16 (84)         -12 (85)          -8
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1983)  5.2% (84)  5.4% (85)  5.4%
  AS % OF GNP................. (1981)  1.9% (83)  1.6% (84)  1.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1983)  145 (84)   131 (85)   130
  EQUIVALENT TO  3.8 MONTHS OF IMPORTS (1985)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1984)SUGAR          ,WOOD & PRODUCTS,FRUIT

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   27  (1983)   12  (1984)   22
   AS % OF TOTAL EXPORTS (1981)   20% (1982)    5% (1983)   4%

MAJOR IMPORTS(1984)MACHINERY      ,PETROLEM PRODS ,FOOD

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    2  (1983)    4  (1984)    1
   AS % OF TOTAL IMPORTS (1981)    2% (1982)    0% (1983)   1%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -125(82)   -137(83)  -146

TRADING PARTNERS: SOUTH AFRICA ,UNITED KINGDOM ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    36.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)    19
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   6.0%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.7% (1978)   2.8% (1985)  3.4%

POPULATION IN URBAN AREAS............(1970)     8%   (1985)   16%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (   .)     . %

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 46.9% (15-64YRS) 50.9% (65+ YRS)  2.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 113

PEOPLE PER PHYSICIAN................ (1978)  7,896

MAJOR CAUSES OF
DISEASE (1979) ACUTE  RESP. INFE,GASTROINTESTINAL,UNKNOWN AILMENTS
DEATH.. (1979) ACUTE RESP. INFE,TUBERCULOSIS    ,GASTROINTESTINAL

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   105%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  37%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1984)  TOTAL   105   MALE   108    FEMALE   105
SECONDARY....... (1984)  TOTAL  64.0   MALE  66.0    FEMALE  62.0
POST SECONDARY.. (1980)  TOTAL   3.3   MALE   3.5    FEMALE   3.0

ENERGY PRODUCTION AS % OF CONSUMPTION............(1982)        . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SWAZILAND

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	9.0	11.5	10.0	8.0	7.6	79.8	1.1	78.7
Loans	2.6	-	-	-	-	10.8	1.1	9.7
Grants	6.4	11.5	10.0	8.0	7.6	69.0	-	69.0
a. A.I.D. and Predecessor Agencies	7.5	9.7	8.7	6.2	5.8	57.1	1.1	56.0
Loans	2.6	-	-	-	-	10.8	1.1	9.7
Grants	4.9	9.7	8.7	6.2	5.8	46.3	-	46.3
(Economic Support Fund)	-	-	-	-	-	12.6		
b. Food for Peace (PL 480)	0.2	0.6	-	0.4	0.2	7.6	-	7.6
Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.6	-	0.4	0.2	7.6	-	7.6
Title I – Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	0.2	0.6	-	0.4	0.2	7.6	-	7.6
Emerg. Relief, Econ. Develop. & World Food Program	0.2	0.6	-	0.4	0.2	7.4	-	7.4
Voluntary Relief Agencies	-	-	-	-	-	0.2	-	0.2
c. Other Economic Assistance	1.3	1.2	1.3	1.4	1.6	15.1	-	15.1
Loans	-	-	-	-	-	-	-	-
Grants	1.3	1.2	1.3	1.4	1.6	15.1	-	15.1
Peace Corps	1.3	1.2	1.3	1.4	1.6	15.1	-	15.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	0.1	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	0.1	0.1	-	0.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	0.1	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	9.0	11.5	10.0	8.0	7.7	79.9	1.1	78.8
Loans	2.6	-	-	-	-	10.8	1.1	9.7
Grants	6.4	11.5	10.0	8.0	7.7	69.1	-	69.1
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	0.1	16.2	18.0	176.2
IBRD	0.0	5.6	8.6	79.8
IFC	0.0	0.0	4.1	12.5
IDA	0.0	0.0	0.0	7.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	10.0	5.3	42.9
UNDP	0.1	0.0	0.0	11.6
OTHER-UN	0.0	0.6	0.0	2.6
EEC	0.0	0.0	0.0	19.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	7.0	10.0	38.0
United Kingdom	6.4	4.5	61.2
Germany, Fed. Rep.	2.8	3.7	37.1
Sweden	1.2	0.8	11.6
Canada	1.0	2.1	8.3
Other	2.7	1.7	14.0
Total	21.1	22.8	170.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

SWAZILAND

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	---	---	---	---	---	---	---	---
Grants	8,112	1,985	---	2,130	3,997	---	---	---
Total	8,112	1,985	---	2,130[a/]	3,997	---	---	---
1986								
Loans	---	---	---	---	---	---	---	---
Grants	7,600	1,360	---	900	4,740	600	---	---
Total	7,600	1,360	---	900	4,740	600	---	---
1987								
Loans	---	---	---	---	---	---	---	---
Grants	6,500	2,000	---	1,000	3,500	---	---	---
Total	6,500	2,000	---	1,000	3,500	---	---	---

a_/ Includes $130 thousand reobligated under Deob/Reob Authority.

FY 1987
PROGRAM HIGHLIGHTS

-- Increasing agricultural productivity and income ($2.0 million).

-- Improving Swaziland's primary health care system, especially for women and children under five and promoting awareness of family planning benefits ($1.0 million).

-- Upgrading workforce skills through primary school teacher education and manpower development and training to lessen this impediment to promoting employment through private enterprise development ($3.5 million).

SWAZILAND

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	---	947	---
Grants	6,342	10,248	8,579
Total AID	6,342	11,195	8,579
P.L. 480 **			
Title I	---	---	---
(of which Title III is)	(---)	(---)	(---)
Title II	---	---	---
Total P.L. 480	---	---	---
Total AID and P.L. 480	6,342	11,195	8,579

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	---	---	---	---	---	---
Rice	---	---	---	---	---	---
Feedgrains	---	---	---	---	---	---
Vegoil	---	---	---	---	---	---
Non-food	---	---	---	---	---	---
Title I Total	---	---	---	---	---	---
(of which Title III is)	---	---	---	---	---	---
Title II [1]						
Voluntary Agencies	---	---	---	---	---	---
Government - to - Government	---	---	---	---	---	---
Title II Total	---	---	---	---	---	---
Total P.L. 480	---	---	---	---	---	---

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

SWAZILAND

PERSONNEL DATA			
Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	12	12	11
PASA[b]	-	-	-
TOTAL	12	12	11

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	96	10	106	97	26	123	103	12	115
Regional[e]	12	--	12	15	--	15	15	--	15
TOTAL	108	10	118	112	26	138	118	12	130

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	2	3	4	3	7	5	3	8
Regional[e]	--	--	--	--	--	--	--	--	--
TOTAL	1	2	3	4	3	7	5	3	8

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

SWAZILAND

Development Overview

While Swaziland's economy has done relatively well over the past decade, recent performance has been less encouraging. Real GDP growth averaged 3.1% from 1978-82 but was negative in 1983 and only 1.0% in 1984. With population growth estimated at 3.6% per annum, GDP growth has been negative in recent years.

Swaziland, an open market economy with limited government intervention, is relatively diversified in production and trade. Most production is located on large export-oriented, foreign-owned agricultural estates. The recent fall in the value of the South African rand, which determines the value of the local currency, has improved current account balance of payments performance as exports in nominal terms fell less rapidly than imports. Government debt is less than 5% of revenue because of tightened controls over spending and a new sales tax. Inflation, however, has accelerated to over 15%. Unemployment is rising; over 20% of new job seekers are unable to find formal sector employment. As a result, underemployment and informal activity are increasingly evident. A recent increase in the number of firms considering investment in Swaziland could lessen the employment problem to the extent that interests turn into employment generating investments.

Indicative of serious and growing problems affecting development prospects in all sectors are Swaziland's population growth rate and the relative lack of trained manpower in the government and private sectors.

United States Interests and Objectives

The United States supports a continuation of Swaziland's development gains achieved since independence and encourages the expansion of private enterprise-led development. The United States seeks to assist Swaziland during these turbulent times in Southern Africa in maintaining its economic and political stability while pursuing a contructive international role which is supportive of U.S. views.

A.I.D. Development Strategy

A.I.D.'s strategy is directed toward helping Swaziland achieve its development goals through projects and policy dialogue which address the problems of untrained manpower, low agricultural productivity and incomes on traditional Swazi Nation Land, a high population growth rate, low health status, and rising unemployment.

A.I.D.'s strategy places primary emphasis on institution building, both public and private, and human resources/leadership development. In pursuing these goals, A.I.D. makes training an integral element of all projects in Swaziland. The strategy also emphasizes increasing production and productivity on Swazi Nation Land. Agricultural projects focus on improvements in the basic systems of research, extension, input supply, and marketing available to farmers engaged in commerical or semi-commercial agriculture.

SWAZILAND

Several A.I.D. programs - both bilateral and centrally-funded - are aimed at improving the health status of women and of children under five. A.I.D. assistance in primary health care includes family planning, expanded access to and use of oral rehydration therapy (ORT) for treatment of diarrheal diseases, expanded immunization services, improved health education programs with emphasis on maternal and child health, improved health management and planning, and improved training of health personnel.

Unemployment in Swaziland has two aspects - lack of skills and lack of opportunity. A.I.D.'s program in human resources development aims to improve the quality of the workforce through participant training activities and improvements in primary school and teacher training curricula. A.I.D. also assists Swaziland to create jobs through new programs emphasizing small business development.

A.I.D. Program (FYs 1985-1986)

Project activities under way focus on education and human resources development, agriculture and rural development, and health.

The Swaziland Manpower Development Project (645-0218) (SWAMDP) and the Teacher Training Project (645-0214) are both funded under the Education and Human Resources account. SWAMDP provides training for government employees, individuals from the private sector, and university faculty. The project also supports linkages between Swazi training institutions and United States counterparts; in-country management training; the improved use of the media, especially radio, as a vehicle for development information; and development training for traditional leaders. The Teacher Training Project endeavors to improve the quality of education for primary school teachers and teacher educators.

Two projects are funded under the agriculture, rural development, and nutrition account: The Cropping Systems Research and Extension Training Project (645-0212), and Swine Production and Cooperative Development (645-0213). The cropping systems project aims to develop, through applied local-level research, improved cropping systems for both dryland and irrigated crops, and to improve the ability of the extension service to deliver this information to small farmers on Swazi nation land. The Swine Production and Cooperative Development Project, funded through an operational Program Grant (OPG), aims to improve income-generating opportunities especially for women. In FY 1985, this project received its final obligation of $100,000.

Under the Health and Population accounts, the Primary Health Care Project (645-0220) is assisting the Ministry of Health to improve the effectiveness of its primary health care system. The project aims to lower significantly disease and death rates for children under five through improved prenatal/postnatal care and deliveries, immunizations, oral rehydration therapy (ORT), child spacing, nutrition and growth monitoring, and infectious/parasitic disease treatment. The Health Planning and Management Project (645-0215), funded through an OPG with International Human

Assistance Programs (IHAP), was extended in FY 1985 with a final obligation of $130,000. As a result of the planning undertaken through this project, the Ministry of Health has decided to decentralize its management, moving decision making from the national to the regional level.

The Small Enterprise Support Project (645-0222) begins in FY 1986. Working with non-governmental organizations, this project will provide experience on the types of small business assistance programs that can succeed in Swaziland and will fund analysis of policy constraints to indigenous business development.

Requested Year Program (FY 1987)

A.I.D. requests $6.5 million to fund four on-going projects. We request $1.9 million in Education and Human Resources funds for the Swaziland Manpower Development project (645-0218), and $1.6 million for Teacher Training (645-0214). In Health funds, we request $1.0 million to support Primary Health Care (645-0220). From Agriculture, Rural Development and Nutrition funds, the request is for $2.0 million to support Cropping Systems Research and Extension Training (645-0212).

MISSION DIRECTOR: Robert Huesmann

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SWAZILAND

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
RURAL DEV AREA INFRASTRUCTURE SUPPORT		G	645-0068	78	82	5,070	3,397	3,387	3,329	---	58	---	---
RURAL DEV AREA INFRASTRUCTURE SUPPORT		L	645-0068	78	82	4,630	4,031	4,031	3,468	---	563	---	---
CROPPING SYSTEMS RESEARCH AND EXT TRNG		G	645-0212	81	87	12,900	12,900	10,882	4,561	---	2,200	2,000	2,200
SWINE PRODUCTION AND COOP DEV (PVO)		G	645-0213	80	85	483	483	483	321	---	162	---	---
SWAZILAND MANPOWER DEVELOPMENT		G	645-0218	84	89	1,699	1,699	---	---	1,360	388	---	214
RURAL RECONSTRUCTION		G	645-0224	84	86	1,250	1,250	1,250	245	---	950	---	55
TOTAL FOR ACCOUNT						26,002	23,750	20,033	11,924	1,360	4,321	2,000	2,469
GRANTS						21,402	19,719	16,002	8,456	1,360	3,758	2,000	2,469
LOANS						4,600	4,031	4,031	3,468	---	563	---	---
HEALTH													
HEALTH MANPOWER TRAINING		G	645-0062	77	81	2,200	2,200	2,200	2,131	---	69	---	---
RURAL WATER BORNE DISEASE CONTROL		G	645-0087	79	83	3,297	3,297	3,297	2,833	---	464	---	---
HEALTH PLANNING AND MANAGEMENT (PVO)		G	645-0215	81	85	1,126	1,126	1,126	992	---	134	---	---
RURAL HEALTH DEVELOPMENT		G	645-0220	85	88	5,664	5,664	2,000	---	900	1,055	1,000	1,459
TOTAL FOR ACCOUNT						12,297	12,287	8,623	5,956	900	1,722	1,000	1,459
GRANTS						12,297	12,287	8,623	5,956	900	1,722	1,000	1,459
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
MANPOWER DEVELOPMENT AND TRAINING		G	645-0069	78	86	7,637	6,747	6,747	5,640	---	1,107	---	---
TEACHER TRAINING		G	645-0214	83	87	5,595	5,595	2,795	735	1,200	1,562	1,600	1,608

[*] Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SWAZILAND

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
				AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
SWAZILAND MANPOWER DEVELOPMENT	G 645-0218	84	89	17,920	17,920	5,085	798	3,540	1,683	1,900	2,793
TOTAL FOR ACCOUNT				31,152	30,262	14,627	7,173	4,740	4,352	3,500	4,401
GRANTS				31,152	30,262	14,627	7,173	4,740	4,352	3,500	4,401
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
SMALL ENTERPRISE SUPPORT (PVO)	G 645-0222	86	88	---	1,200	---	---	600	250	---	250
TOTAL FOR ACCOUNT				---	1,200	---	---	600	250	---	250
GRANTS				---	1,200	---	---	600	250	---	250
LOANS				---	---	---	---	---	---	---	---
SECURITY SUPPORTING ASSISTANCE											
RURAL DEV AREA INFRASTRUCTURE SUPPORT	L 645-0068	78	84	5,400	4,900	4,900	4,516	---	384	---	---
MANPOWER DEVELOPMENT AND TRAINING	G 645-0069	78	84	1,655	1,655	1,655	1,501	---	154	---	---
TOTAL FOR ACCOUNT				7,055	6,555	6,555	6,017	---	538	---	---
GRANTS				1,655	1,655	1,655	1,501	---	154	---	---
LOANS				5,400	4,900	4,900	4,516	---	384	---	---
TOTAL FOR COUNTRY				76,496	74,056	49,838	31,070	7,600	11,183	6,500	8,579
GRANTS				66,496	65,123	40,907	23,086	7,600	10,236	6,500	8,579
LOANS				10,000	8,931	8,931	7,984	---	947	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

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TOGO

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COUNTRY:  (693) TOGO                                  FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      3,023

PER CAPITA GNP.......... (DOLLARS,1983)        280

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.1%

ANNUAL RATE OF INFLATION (1973-83)  8.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL 49.0  MALE 47.3  FEMALE 50.8
                       (1970)   TOTAL 43.6  MALE 42.0  FEMALE 45.2

ADULT LITERACY RATE  (1970)   TOTAL  16%  MALE  27%  FEMALE   7%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    22%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       169


MAJOR CROP(S)
  SUBSISTENCE: YAMS ,CASSAVA ,CORN             ARABLE LAND  YEAR
  CASH: COCOA BEANS ,COFFEE ,.                       9%    (1984)
                                                     3%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCOA BEANS ,COFFEE ,.

MAJOR AGRICULTURAL IMPORTS:(1984) RAW SUGAR ,RICE ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)      .%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1978)        252 (79)        329 (80)        346
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1978)        513 (79)        414 (80)        368
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1978)       -261 (79)        -84 (80)        -22
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1977) 13.7% (78)  8.7% (79)  5.4%
  AS % OF GNP................. (1977)  6.2% (78)  5.1% (79)  1.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)               (1982)   173 (83)   178 (84)   203
  EQUIVALENT TO  7.1 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)PHOSPHATES     ,COCOA          ,COFFEE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    0  (1984)   34
   AS % OF TOTAL EXPORTS (1982)    0% (1983)    0% (1984)  14%

MAJOR IMPORTS(1983)CONSUMERS GOODS,FUELS            ,MACHINERY

IMPORTS/FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   17  (1983)   14  (1984)   15
   AS % OF TOTAL IMPORTS (1982)    6% (1983)    6% (1984)   6%

TRADE BALANCE($ MILLIONS, U.S.)(1982)    -37(83)    -19(84)    16

TRADING PARTNERS: FRANCE ,NETHERLANDS ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     138%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983)    45
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  19.2%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.7% (1978)   2.9% (1985)  3.1%

POPULATION IN URBAN AREAS......... ..(1970)    13%   (1985)   23%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)      .   (1985)    48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (    .)     . %

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 46.5% (15-64YRS) 50.3% (65+ YRS)  3.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 107

PEOPLE PER PHYSICIAN................ (1979) 18,101

MAJOR CAUSES OF
DISEASE (1980) MALARIA          ,MEASLES          ,ANCYLOSTOMIASIS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  42%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1982)  TOTAL   105   MALE   131    FEMALE  80.4
SECONDARY.......  (1982)  TOTAL  31.8   MALE  58.6    FEMALE  16.6
POST SECONDARY..  (1981)  TOTAL   1.6   MALE   3.1    FEMALE   0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     0.5%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY TOGO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	5.6	10.0	7.7	7.7	9.0	84.0	-	84.0
Loans	-	-	-	-	-	-	-	-
Grants	5.6	10.0	7.7	7.7	9.0	84.0	-	84.0
a. A.I.D. and Predecessor Agencies	1.9	4.6	3.4	3.4	3.9	26.9	-	26.9
Loans	-	-	-	-	-	-	-	-
Grants	1.9	4.6	3.4	3.4	3.9	26.9	-	26.9
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	1.7	3.1	1.9	1.9	2.9	30.5	-	30.5
Loans	-	-	-	-	-	-	-	-
Grants	1.7	3.1	1.9	1.9	2.9	30.5	-	30.5
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.7	3.1	1.9	1.9	2.9	30.5	-	30.5
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.6	0.8	0.7	0.9	12.5	-	12.5
Voluntary Relief Agencies	1.2	2.5	1.1	1.2	2.0	18.0	-	18.0
c. Other Economic Assistance	2.0	2.3	2.4	2.4	2.2	26.6	-	26.6
Loans	-	-	-	-	-	-	-	-
Grants	2.0	2.3	2.4	2.4	2.2	26.6	-	26.6
Peace Corps	2.0	2.3	2.4	2.4	2.2	26.6	-	26.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	*	*	*	*	*	0.2	-	0.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	*	*	*	*	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	*	*	*	*	*	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	5.6	10.0	7.7	7.7	9.0	84.2	-	84.2
Loans	-	-	-	-	-	-	-	-
Grants	5.6	10.0	7.7	7.7	9.0	84.2	-	84.2
Other U.S. Government Loans and Grants	-	-	-	-	-	2.1	3.0	0.9-
a. Export-Import Bank Loans	-	-	-	-	-	2.1	3.0	0.9-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	87.6	24.7	46.4	475.9
IBRD	0.0	0.0	0.0	3.5
IFC	0.0	0.0	0.0	0.0
IDA	81.2	0.0	46.4	257.7
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	6.4	23.1	0.0	89.3
UNDP	0.0	1.6	0.0	31.2
OTHER-UN	0.0	0.0	0.0	3.8
EEC	0.0	0.0	0.0	90.4

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	6.0	7.0	26.0
Germany,Fed. Rep.	20.9	25.7	151.6
France	21.2	23.9	123.3
Denmark	0.1	-	17.7
Canada	0.6	0.6	14.7
Other	3.0	3.8	17.0
Total	51.8	61.0	350.3

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
3.8	N.A.	4.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	3,100	1,492	–	1,608	–	–	–	–
Total	3,100	1,492	–	1,608	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	3,060	3,060	–	–	–	–	–	–
Total	3,060	3,060	–	–	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	3,060	1,749	560	751	–	–	–	–
Total	3,060	1,749	560	751	–	–	–	–

FY 1987
PROGRAM HIGHLIGHTS

- $1.7 million for the continuation of activities in the agriculture sector, accenting project implementation in rural development.
- $1.3 million for a new program to provide a sectoral planning capability with a strong family planning element, within the Ministry of Health. The program will continue successful elements of ongoing projects in health related to disease control, potable water and rural sanitation.

TOGO

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	5,161***	6,079	4,345
Total AID	5,161***	6,079	4,345
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(1,778)	(1,858)	(2,660)
Title II	–	–	–
Total P.L. 480	1,778	1,858	2,660
Total AID and P.L. 480	6,939***	7,937	7,005

**AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

*** Includes $1,088 million for OICI Agricultural Training and Extension project under centrally-funded Cooperative Agreement.

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	5,482	1,778	6,588	1,858	7,791	2,660
Government - to - Government	–	–	–	–	–	–
Title II Total	5,482	1,778	6,588	1,858	7,791	2,660
Total P.L. 480	5,482	1,778	6,588	1,858	7,791	2,660

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

TOGO

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	5	5	5
PASA[b]	1	1	1
TOTAL	6	6	6

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	7	5	12	7	–	7
Regional[e]	–	5	5	–	5	5	8	6	14
TOTAL	–	5	5	7	10	17	15	6	21

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	4	–	4	3	–	3	6	–	6
TOTAL	4	–	4	3	–	3	6	–	6

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

TOGO

Development Overview

In the early 1970's, Togo experienced rapid economic expansion and achieved an average annual growth rate of 7 percent in real terms. This was accomplished through a significant change in the structure of the economy in which agriculture declined, the mining sector (phosphate) grew, retail trade activities in the region increased, and conservative economic and financial policies were maintained. Consequently, Togo embarked in the mid 1970's on an ambitious public investment program and undertook expansionary fiscal and monetary policies.

At the beginning of the 1980's, serious imbalances occurred in public finances and the balance of payments. Under two IMF-supported financial stabilization programs in 1983 and 1984, Togo began to limit the growth of current expenditures. The Government also adopted additional and more stringent financial stabilization programs supported by two IMF stand-by arrangements and a World Bank structural adjustment program. Agriculture and rural development were re-established as primary priorities in the structural adjustment process. In May 1985, a second World Bank structural adjustment program was approved.

Agriculture is the mainstay of the Togolese economy, employing 80% of the labor force. Agricultural production has been diversified with a wide variety of subsistence food crops and some exportable cash crops. On the other hand, the agricultural sector has tended to stagnate during the past decade mainly due to insufficient incentives for farmers and poorly conceived investment projects. The government's objective is to increase food production so as to ensure self-sufficiency and make available a marketable surplus, while continuing to increase the production of the country's three main export crops, with more emphasis on the private sector.

U.S. Interests and Objectives

U. S. interests in Togo are primarily humanitarian and developmental. As a relatively poor country, Togo has a clear need for concessionary economic assistance. With a western-oriented, moderate, and cooperative government, Togo represents an attractive partner with the United States. Selected as the seat of the Development Fund of the Economic Community of West African States, Togo's strong partnership role with its African neighbors has already been established. The A.I.D. country program addresses U.S. foreign policy objectives in recognition of the support Togo continues to give the United States in international fora. U.S. interests are served through helping Togo maintain its stability through activities designed to further economic growth.

A.I.D. Development Strategy

A.I.D.'s development strategy addresses the interrelated problems of agricultural production marketing and rural public health and population growth. The A.I.D. program in agriculture continues to emphasize increased agricultural production through the introduction of appropriate technology, adaptive field testing, and a training/visit system of agriculture extension. The A.I.D. health/population program supports Togolese priorities for providing safe water to rural areas, which is closely related to the Government's program of extending primary health care and village sanitation. Population policy dialogue, maternal and infant health care, and community development activities are integral components of A.I.D.'s health sector focus.

A.I.D. Program (FY's 1985-1986)

The A.I.D. program in Togo emphasizes human resources development and transfer of appropriate technology in the agriculture and health sectors, working particularly through the Peace Corps and Private Voluntary Organizations.

Three continuing projects are the major elements in the Agriculture and Rural Development portfolio which, in FY 1986, totals $3.1 million. In addition, ongoing activities will continue under the centrally-funded Cooperative Agreement for the Opportunities Industrialization Centers International (OICI) Agricultural Training and Extension Project.

The Togo Animal Traction Development project (693-0218) assists those public and private entities within Togo which are working to improve, coordinate and expand the promotion of draft oxen powered activities among smallholder farmers, so as to increase crop production and contribute towards greater income for rural families. Nearing mid-point in implementation, an assessment/evaluation of the activity's progress has determined that based on objectives reached to date animal traction has the potential to be one of the important means contributing to improving agricultural production and farmer's incomes in Togo. The project is proceeding to oversee the placement of approximately 120 additional animal traction units per year. Funding support for the credit plan required to pre-finance oxen and equipment is provided by the Government of Togo and other donors. $844,000 will be provided in FY 1986 to continue this project.

The Credit Union Association Development Project (693-0224) has reached the half-way point in a five-year program. The implementation plan calls for strengthening the national credit union federation's ability to serve 104 local member unions in such areas as organizational training, accounting procedures, central loan-fund management and sale of insurance policies. The project receives important long-term technical assistance from the World Council of Credit Unions (PVO). In FY 1986 emphasis is placed on the introduction of a strong Small Farmer Production Credit Program within the existing local savings and credit institutions. The project shows a steady movement in the direction of managerial and financial self-sufficiency. While the credit union movement in Togo is entirely private, the Government has provided legal and policy support which encourages savings mobilization and helps to form a base for economic growth. $716,000 will be provided in FY 1986 to continue this project.

The Sio River Economic Development Project (693-0226) seeks to develop innovative methods to provide needed credit to small-scale agricultural producers and other rural entrepreneurs seeking to increase productivity through better management of available resources in a river valley close to

Lome. Partnership for Productivity (an American PVO) has trained a highly motivated and knowledgeable team of extension agents to help local producers put into practice and follow-up a series of changes in the way they do business, based on an entrepreneurial approach. Initial successes in the first agricultural season are to be followed by a measured expansion of the project zone, a greater number of clients and greater diversity in the intended use of loans. The project provides technical assistance to producer groups which are seeking growth in marketing opportunities for their products. A strong savings component is promoted as part of the project's mobilization of area resources. $1,500,000 will be provided in FY 1986 to continue this project.

In the Health sector the Rural Water Supply and Sanitation project (693-0210) is making steady progress in achieving the objective of providing 1,000 deep bore wells in rural areas. More than 500 positive wells have been drilled. Other project objectives of developing alternate water supplies where needed, providing additional health and sanitation related training, installing village health committees and improving financial management by the Government are progressing as planned. The Combatting Childhood Communicable Diseases project (698-0421.02) has been extended to cover all five regions of Togo. Training is now taking place to install a new financial and inventory control system. The project is also introducing oral rehydration therapy as well as endorsing more cost effective and safer methods of treating malaria.

A PL 480, Title II program continued in FY 1985 with the provision of $1,778,000 to Catholic Relief Services (PVO). In FY 1986 an additional $1,858,000 in food will again be provided to support maternal/child health and school feeding programs.

In FY 1986, A.I.D. will concentrate its assistance in the Agriculture/Rural Development sector. Emphasis will be on implementation and evaluation of ongoing projects in order to increase participation and effectiveness of the Government in managing the portfolio. The entire $3,060,000 bilateral program is budgeted for the Animal Traction ($844,000), Sio River ($1,500,000) and National Credit Union ($716,000) projects.

Requested Year Program (FY 1987)

Requested funding in the Agriculture, Rural Development and Nutrition sector will include $916,000 to complete financing of the Togo Animal Traction Project, and $833,000 to continue the Sio River Economic Development Project.

Funding from both the Population ($560,000) and Health ($751,000) sectors is requested for a new FY 1987 start, Health Sector Planning and Support Project (693-0228).

P.L. 480, Title II funding ($2,660,000) will continue the ongoing Catholic Relief Services maternal/child health and school feeding programs.

A.I.D. REPRESENTATIVE: Myron Golden

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TOGO

CP 87

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
				AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
OICI- DAVIE COMMUNITY FARM PHASE I (PVO)	G 693-0217	81	81	1,000	1,000	1,000	706	---	294	---	---
TOGO ANIMAL TRACTION (PC)	G 693-0218	83	88	3,230	5,230	3,230	1,323	844	1,300	916	1,000
CREDIT UNION DEVELOPMENT (PVO)	G 693-0224	83	86	2,150	2,150	1,434	494	716	450	---	400
SIO RIVER ECONOMIC DEV. (PVO)	G 693-0226	84	87	3,500	3,500	1,167	550	1,500	1,000	833	800
TOTAL FOR ACCOUNT				9,880	11,880	6,831	3,073	3,060	3,044	1,749	2,200
GRANTS				9,880	11,880	6,831	3,073	3,060	3,044	1,749	2,200
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
HEALTH SECTOR PLANNING & SUPPORT	* G 693-0228	87	91	---	3,000	---	---	---	---	560	300
TOTAL FOR ACCOUNT				---	3,000	---	---	---	---	560	300
GRANTS				---	3,000	---	---	---	---	560	300
LOANS				---	---	---	---	---	---	---	---
HEALTH											
RURAL WATER SUPPLIES/ENVR SANITATION	G 693-0210	80	85	11,739	11,739	11,739	7,772	---	3,000	---	967
TOGO FAMILY HEALTH CENTER	G 693-0212	77	78	1,278	1,278	1,078	765	---	35	---	278
HEALTH SECTOR PLANNING & SUPPORT	* G 693-0228	87	91	---	6,000	---	---	---	---	751	600
TOTAL FOR ACCOUNT				13,017	19,017	12,817	8,537	---	3,035	751	1,845
GRANTS				13,017	19,017	12,817	8,537	---	3,035	751	1,845
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				22,897	33,897	19,648	11,610	3,060	6,079	3,060	4,345
GRANTS				22,897	33,897	19,648	11,610	3,060	6,079	3,060	4,345
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: TOGO

PLANNED PROGRAM SUMMARY SHEET

Title Health Sector Planning		Funding Source	AG, RD & N	Health 751	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,311	Life of Project Funding 9,000 (3,000 POP, 6,000 HE)
Number 693-0228 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population 560	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991
						Estimated Completion Date of Project FY 1992

Project Purpose: The project will be designed to provide support to the Ministry of Public Health, Social affairs and Women's Status (MOH) as well as related agencies in expanding and improving the Government of Togo activities in primary health care.

Project Description: The project will assist the MOH in improving program planning and evaluation; reduce child mortality and morbidity through expanded programs in immunizations, oral rehydration therapy, and the use of antimalarials, increase access to family planning services, and increase access to potable water.

With the exception of assisting the MOH in increasing its planning capacity, the proposed project is a continuation of assistance provided under three current health projects, all of which are scheduled for termination in 1987. The immunization, ORT, malaria control and health education activities are continuations of the Combatting Childhood Communicable Diseases project (698-0241.02). Wells, alternative water sources, eg., cisterns and spring caption, latrines, sanitation education, and control of water borne diseases of the Rural Water Supply and Sanitation project (693-0210), will be continued. Finally, the family health/family planning training and the clinical service programs of the Togo Family Health Center (693-0212) and the complementary Family Planning International Assistance PVO grant will be continued.

Relationship of Project to AID Country Strategy: A.I.D. strategy concentrates on the sectors of Agriculture and Health. The Health Sector Planning and Support Project will be by far the Mission's most important health activity during the FY 1987 through FY 1992 period. It will address the key primary health care problems in Togo and provide a vehicle through which A.I.D. can sustain an ongoing policy dialogue with the Ministry of Health on such issues as: sector planning, population and demography and initiation of a fee-for-services system to cover all, or a portion, of the cost of health services and pharmaceuticals.

Host Country and Other Donors: Since the project embraces most of the primary health care activities of the MOH, there will be a number of donors involved in complimentary activities. The Mission anticipates working with WHO and IBRD on management and planning problems; WHO and UNICEF on immunization, ORT and malarial treatment; UNFPA, IPPF and FPIA on family planning; and the French, Canadians and European Economic Community in addressing water problems.

Beneficiaries: As a comprehensive national health sector support activity the target group consists of the national population as a whole, but clearly embodies major elements which focus on at-risk children and women.

Major Output: A planning unit, long and short-term U.S. training; third-country training and in-country training.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Technical Assistance	2,600
Training	2,495
Commodities/Supplies	2,905
Construction/Renovation	1,000
Total	9,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,311	7,689	9,000

Principal Contractors or Agencies

To be determined.

UGANDA

COUNTRY: (617) UGANDA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      14,689

PER CAPITA GNP.......... (DOLLARS,1983)        220

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -4.4%

ANNUAL RATE OF INFLATION (1973-83) 62.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970)   6.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                  (1985)   TOTAL 49.1  MALE 47.7  FEMALE 50.6
                  (1970)   TOTAL 48.4  MALE 48.7  FEMALE 52.1

ADULT LITERACY RATE  (1980)   TOTAL  52%  MALE  65%  FEMALE  41%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                        (1975-1984)  -1.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1981)    79%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       124


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: PLANTAINS ,CASSAVA ,PULSES              39%   (1984)
  CASH: COFFEE ,COTTON ,TEA                            13%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,COTTON ,TEA

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(   .)      .%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1981)       204 (82)       262 (83)        288
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1981)       791 (82)       376 (83)        386
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1981)      -587 (82)      -114 (83)        -98
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1981) 30.3% (82) 19.4% (83) 17.3%
  AS % OF GNP................. (1981)  0.9% (82)  1.0% (83)  1.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)                (1978)    53 (79)    23 (80)    17
  EQUIVALENT TO  0.4 MONTHS OF IMPORTS (1980)
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*FOREIGN TRADE*
----------------
MAJOR EXPORTS(1983)COFFEE          ,COTTON         ,TEA

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  152  (1983)  100  (1984)   89
   AS % OF TOTAL EXPORTS (1979)   25% (1980)   49% (1981)  50%

MAJOR IMPORTS(1983)PETROLEUM PRODS,MACHINERY       ,COTTON GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    9  (1983)    5  (1984)    4
   AS % OF TOTAL IMPORTS (1979)    0% (1980)    5% (1981)    3%

TRADE BALANCE($ MILLIONS, U.S.)(1979)    132(80)      1(81)   -48

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,KENYA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    16.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    82
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981)  26.6%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   3.0% (1978)   3.0% (1985)  3.1%

POPULATION IN URBAN AREAS............(1970)     8%   (1983)    7%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (   .)     . %

POPULATION (1985) IN AGE GROUP:
               (0-14YRS) 47.8% (15-64YRS) 49.6% (65+ YRS)  2.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 113

PEOPLE PER PHYSICIAN................ (1977) 26,812

MAJOR CAUSES OF
DISEASE (1981) MALARIA          ,MEASLES          ,GONORRHEA
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)  35%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  68.1   MALE  79.0    FEMALE  57.4
SECONDARY....... (1982)  TOTAL   7.8   MALE   6.8    FEMALE   2.7
POST SECONDARY.. (1979)  TOTAL   0.5   MALE   0.7    FEMALE   0.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     22.7%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY UGANDA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	6.1	9.0	7.4	7.8	9.1	87.0	3.9	83.1
Loans	-	-	-	-	-	11.6	3.9	7.5
Grants	6.1	9.0	7.4	7.8	9.1	75.4	-	75.4
a. A.I.D. and Predecessor Agencies	-	2.0	7.0	7.6	9.1	66.0	3.9	62.1
Loans	-	-	-	-	-	11.4	3.9	7.5
Grants	-	2.0	7.0	7.6	9.1	54.6	-	54.6
(Economic Support Fund)	-	-	-	-	-	3.0		
b. Food for Peace (PL 480)	6.1	7.0	0.4	0.2	-	17.2	*	17.0
Loans	-	-	-	-	-	0.2	*	-
Grants	6.1	7.0	0.4	0.2	-	17.0	-	17.0
Title I - Total Sales Agreements	-	-	-	-	-	0.2	*	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	0.2	*	*
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	6.1	7.0	0.4	0.2	-	17.0	-	17.0
Emerg. Relief, Econ. Develop. & World Food Program	1.4	2.3	-	0.2	-	6.2	-	6.2
Voluntary Relief Agencies	4.7	4.7	0.4	-	-	10.9	-	10.9
c. Other Economic Assistance	-	-	-	-	-	3.8	-	3.8
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	3.8	-	3.8
Peace Corps	-	-	-	-	-	3.8	-	3.8
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	*	0.1	0.1	0.1	0.2	-	0.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	*	0.1	0.1	0.1	0.2	-	0.2
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	*	0.1	0.1	0.1	0.2	-	0.2
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.1	9.0	7.5	7.9	9.2	87.2	3.9	83.1
Loans	-	-	-	-	-	11.6	3.9	7.5
Grants	6.1	9.0	7.5	7.9	9.2	75.6	-	75.6
Other U.S. Government Loans and Grants	-	-	-	-	-	1.8	2.4	0.6-
a. Export-Import Bank Loans	-	-	-	-	-	1.8	2.4	0.6-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	140.0	164.8	99.9	753.7
IBRD	0.0	0.0	0.0	8.4
IFC	9.7	2.9	0.0	15.8
IDA	124.0	123.0	71.9	559.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	38.1	17.7	83.0
UNDP	1.1	0.8	0.0	54.7
OTHER-UN	5.2	0.0	10.3	31.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	2.0	4.0	27.0
United Kingdom	18.6	9.3	72.2
Germany,Fed. Rep.	7.7	29.4	60.5
Netherlands	2.1	7.3	42.2
France	3.3	1.7	15.9
Other	22.0	17.8	83.8
Total	55.7	69.5	301.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.4	N.A.	7.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	10	-	35
Eastern Europe	-	-	25
Total	10	-	60

UGANDA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year 1985	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
Loans	–	–	–	–	–	–	–	–
Grants	7,940	5,890	–	2,050	–	–	–	–
Total	7,940	5,890	–	2,050	–	–	–	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	3,550	3,000	–	550	–	–	–	–
Total	3,550	3,000	–	550	–	–	–	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	5,350	5,350	–	–	–	–	–	–
Total	5,350	5,350	–	–	–	–	–	–

UGANDA

FY 1987
PROGRAM HIGHLIGHTS

- Provide credit (in foreign exchange) to small and medium-size private agricultural enterprises ($2.0 million)
- Strengthen credit facilities and marketing operations of private agricultural cooperatives ($3.35 million)

UGANDA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY 1985 (Actual)**	**FY 1986 (Estimated)**	**FY 1987 (Proposed)**
Aid *			
Loans	–	–	–
Grants	3,124	6,500	13,009
Total AID	3,124	6,500	13,009
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	3,124	6,500	13,009

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

UGANDA

P.L. 480 *(in thousands of dollars)*						
Program	**FY 1985 (Actual)**		**FY 1986 (Estimated)**		**FY 1987 (Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	–	–	–	–	–	–
(of which Title III is)	(–)	(–)	(–)	(–)	(–)	(–)
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to -	–	–	–	–	–	–
Government	–	–	–	–	–	–
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	8	7	7
PASA[b]	–	–	–
TOTAL	7	7	7

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel, One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	13	13	1	20	21	–	25	25
Regional[e]	–	20	20	–	26	26	–	26	26
TOTAL	–	33	33	1	46	47	–	51	51

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

UGANDA

Development Overview

Recovery of the Ugandan economy suffered serious setbacks in 1985. The Government had granted, in mid-1984, salary increases averaging over 400% to public sector workers. At the same time tax revenues decreased and no effective measures were taken to decrease the civil service work force. Government expenditures in other areas also increased substantially. To finance the deficit, the domestic money supply increased by over 50% as the Government printed money to cover shortfalls in revenue. Thus inflation rose from an improved 30% to well over 100%. Management of the economy, which had been impressive, deteriorated and negotiations with the IMF for a fourth successive Standby Agreement faltered.

Popularity in upcoming elections began to overshadow economic performance objectives for President Obote's Government in early 1985. Electoral victory was not assured since opposition guerrilla forces were gaining strength and Obote's Government had compiled a deplorable record of human rights violations.

In late July 1985, President Obote was overthrown by a group of senior army officers. The new Interim Military Government (IMG) still faced opposition from the same guerrilla forces in the South (representing mostly Baganda tribesman) that opposed Obote.

Peace talks were conducted in Nairobi over the sharing of power by various factions in the new Government. In the meantime, economic performance continued to suffer. Some donor activity continued in Uganda at reduced levels but most bilateral donors including the United States placed their activities on hold pending resolution of the country's political problems.

A peace accord was signed on December 17, 1985, between the IMG and its principal antagonist, the National Resistance Army (NRA). The NRA refused to join the IMG. Claiming that security had deteriorated to the point where implementation of the peace accord was impossible, the NRA drove the IMG's army from Kampala in late January 1986 and now controls the southern half of the country. A new president, Yoweri Museveni, was inaugurated January 29, 1986.

U.S. Interests and Objectives

A restoration of Uganda's once prosperous economy together with an improvement in its internal security situation will contribute to regional stability and to economic growth within East Africa. Uganda serves as an important market for manufactured goods exported from Kenya. The country is also a potential food source for Kenya, Sudan, Tanzania and eastern Zaire, and provides a vital transportation link for Zaire, Sudan, Rwanda and Burundi. The United States strongly supports Uganda's efforts to regain internal stability and security, not only on humanitarian grounds, but also as the basis for economic recovery and rehabilitation. In the long run, the United States also has an interest in helping Uganda to strengthen the private sector, the engine of growth of the Ugandan economy.

UGANDA

A.I.D. Development Strategy

A.I.D.'s overall objectives in Uganda are: (1) general economic stabilization; (2) rehabilitation of productive capacity in agriculture; and (3) to play an active role regarding policy change.

Uganda's primary economic potential lies in its agricultural sector. After years of economic and political turmoil, the sector is badly damaged and in need of extensive rehabilitation, from the provision of basic farm inputs (e.g., seeds, hoes, plows) to the rehabilitation of farm production/marketing support systems, e.g., research and extension facilities, roads, processing centers, credit institutions and cooperatives. The A.I.D. program had been focussing on these priority agricultural needs. This includes not only rehabilitation projects but also policy dialogue. In addition to emphasizing agricultural reconstruction, the program has supported complementary practical training of Ugandans in agriculture-related fields and a basic health activity through UNICEF.

Modifications of the A.I.D. program to best support Uganda's rehabilitation requirements are presently under discussion with the new government.

A.I.D. Program (FYs 1985-1986)

Agriculture

In FY 1985, A.I.D. continued to provide basic inputs to farmers and strengthen the agricultural cooperative movement under the Food Production Support project (617-0102).

Under a complementary project, A.I.D. also was starting implementation of the Manpower for Agricultural Development project (617-0103) carried out under contract with a title XII University (Ohio State), to rebuild Uganda's agricultural research and extension system. Some work was also initiated under the Rehabilitation of Productive Enterprises project (617-0104) to make credit available to small/medium-size private agro-industrial enterprises.

Through FY 1985, A.I.D. has helped to revitalize the cooperative movement and increase agricultural production, principally through the Food Production Support project. For example, the provision of inputs and technical assistance to the cooperative movement contributed to increased maize production in 1984. Political and economic instability in 1985 adversely affected performance in this sector. The new government has established rehabilitation of Uganda's productive capacity in agriculture as a top priority. Past experience suggests that A.I.D. can assist in this process. In FY 86 it is planned to expand assistance to agricultural cooperatives for agricultural rehabilitation under the Food Production Support project, A.I.D. is also discussing with other donors possible collaborative assistance to address other near term rehabilitation needs of the new government.

UGANDA

Health

A.I.D. is working with UNICEF, under the Oral Rehydration Therapy project (617-0107) to reduce the incidence of childhood disease and death from severe diarrhea. A.I.D. supplies oral rehydration salts that are distributed by UNICEF, and provides funds for training in the use of the salts under the national health care system.

Requested Year Program (FY 1987)

Agriculture

A.I.D. requests a total of $5.35 million in FY 1987 for the planned continuation of two projects in the agriculture sector. It is proposed to add $2 million to the Rehabilitation of Production Enterprises project (617-0104) and $3.35 million to the new Cooperatives Development project. These projects may be altered or reoriented as a result of current discussions in Uganda.

Mission Director: Irvin D. Coker

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: UGANDA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
FOOD PRODUCTION SUPPORT	G 617-0102	81	86	8,999	11,999	8,999	5,990	3,000	1,500	---	1,509
MANPOWER FOR AGRICULTURE DEVELOPMENT	G 617-0103	83	85	13,100	13,100	13,100	1,000	---	2,000	---	4,000
REHABILITATION OF PRODUCTIVE ENTERPRISES	G 617-0104	84	89	18,200	18,200	6,000	13	---	2,000	2,000	3,000
COOPERATIVE DEVELOPMENT	* G 617-0105	87	88	---	4,000	---	---	---	---	3,350	2,000
OIL SEED PRODUCTION	G 617-0106	85	89	5,122	8,122	2,290	---	---	---	---	1,000
TOTAL FOR ACCOUNT				48,421	55,421	30,389	7,003	3,000	5,500	5,350	11,509
GRANTS				48,421	55,421	30,389	7,003	3,000	5,500	5,350	11,509
LOANS				---	---	---	---	---	---	---	---
HEALTH											
ORAL REHYDRATION (PVO)	G 617-0107	84	86	3,050	3,600	3,050	98	550	1,000	---	1,500
TOTAL FOR ACCOUNT				3,050	3,600	3,050	98	550	1,000	---	1,500
GRANTS				3,050	3,600	3,050	98	550	1,000	---	1,500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				51,471	59,021	33,439	7,101	3,550	6,500	5,350	13,009
GRANTS				51,471	59,021	33,439	7,101	3,550	6,500	5,350	13,009
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: UGANDA

PLANNED PROGRAM SUMMARY SHEET

Title Cooperative Development	Funding Source	AG, RD & N 3,350	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 3,350 Life of Project Funding 4,000
Number 617-0105 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.

Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
FY 1987	FY 1988	FY 1989

Purpose: To strengthen the ability of cooperative societies and district unions to diversify their commercial activities (e.g. agroprocessing), and to expand credit and marketing facilities.

Project Description: The cooperative movement in Uganda represents a major source of rural capital, managerial capacity and entrepreneurial ability. With government encouragement, many cooperatives are interested in investing in enterprises that will enable them to operate on a commercial basis and generate increased income for their members. Such enterprises would include pig raising, poultry production, rural transport, beekeeping and crop processing. Assistance will be needed in the form of seed capital to initiate some of the projects, proper accounting methods, and limited advisory services and training. The project would provide this assistance. This project design is based in large part on the experience gained and the lessons learned from the Food Production Support project. Favorable evaluation findings indicate that commodity inputs as well as training and technical assistance have had substantial success in improving agricultural production and distribution and the effectiveness of cooperative officials of various levels.

Relationship to A.I.D. Country Strategy: This project directly supports AID's strategy of increasing productive capacity in agriculture by providing critical farm inputs, and strengthening local farmer organizations and private sector facilities.

Host Country and Other Donors: The Government of Uganda and cooperative unions/societies will provide some operating costs (salaries of trainers, cooperative ministry staff and travel allowances) and all training facilities. Local bank funds will help finance the credit program, which bank staff will assist in implementing. Other donors including the EC, IFAD, World Bank, and UNDP, will contribute farm supplies which will be provided in kind under the credit program.

Beneficiaries: Over 700 cooperative societies will benefit from the credit program, and approximately 30,000 farm families will receive additional production inputs through this project.

Major Outputs
- Increased number of cooperatives operating on a commercial basis.
- Trained cooperative officials in accounting and management.

A.I.D. - Financed Inputs	Life-of-Project ($000)
Technical assistance/training	4,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 85	-	-	-	
Estimated Fiscal Year 86	-	-		
Estimated Through September 30, 86	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 87	3350	650	4000	

AID 370-7 (11-85)

ZAIRE

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                                                       FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (660) ZAIRE

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     30,505

PER CAPITA GNP.......... (DOLLARS,1983)        170

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -1.3%

ANNUAL RATE OF INFLATION (1973-83) 48.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 51.6  MALE 49.9  FEMALE 53.3
                     (1970)   TOTAL 45.3  MALE 43.7  FEMALE 47.0

ADULT LITERACY RATE  (1980)   TOTAL  55%  MALE  74%  FEMALE  37%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (1975-1984)   0.7%

AGRICULTURAL PRODUCTION AS % OF GDP............(1982)   36%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       184


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CASSAVA ,CORN ,BANANAS                   58%   (1984)
  CASH: COFFEE ,PALM OIL ,COTTON                        10%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,RUBBER  PALM OIL

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(    .)    .%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1978)      1,110 (79)      1,410 (80)      1,631
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1977)      1,493 (78)      1,813 (79)      1,766
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1977)       -525 (78)       -717 (79)       -323
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)   . % ( .)   . %
  AS % OF GNP................. (    .)   . % ( .)   . % ( .)     %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   196 (83)   256 (84)   279
  EQUIVALENT TO  2.0 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COPPER         ,COBALT         ,DIAMONDS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   20  (1983)  344  (1984)  471
   AS % OF TOTAL EXPORTS (1980)    3% (1982)    1% (1983)  22%

MAJOR IMPORTS(1983)CONSUMERS GOODS,FOODSTUFFS      ,MACHINERY

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   61  (1983)   92  (1984)   91
   AS % OF TOTAL IMPORTS (1980)   12% (1982)   10% (1983)   9%

TRADE BALANCE($ MILLIONS, U.S.)(1980)    752(82)    988(83)   561

TRADING PARTNERS: BELGIUM ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    64.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)   127
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   7.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.6% (1978)   3.5% (1985)  2.7%

POPULATION IN URBAN AREAS...........(1970)    22%   (1985)   44%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    .    (1985)    43

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 46.0% (15-64YRS) 51.0% (65+ YRS)  3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 106

PEOPLE PER PHYSICIAN............... (1979) 13,943

MAJOR CAUSES OF
DISEASE (1978) TYPHOID FEVER   ,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. ( 973) GASTROINTESTINAL,MALARIA          ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   100%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982)  18%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1978)  TOTAL  87.4   MALE   103    FEMALE  20.3
SECONDARY....... (1977)  TOTAL  20.4   MALE  30.0    FEMALE  11.3
POST SECONDARY.. (1979)  TOTAL   0.9   MALE   1.0    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      109%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ZAIRE

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	26.4	28.6	24.0	29.9	46.0	802.7	135.7	667.0
Loans	15.7	12.0	12.0	10.0	15.0	384.4	135.7	248.7
Grants	10.7	16.6	12.0	19.9	31.0	418.3	-	418.3
a. A.I.D. and Predecessor Agencies	6.9	10.6	10.3	14.5	25.6	422.2	54.8	367.4
Loans	-	2.0	2.0	-	-	139.0	54.8	84.2
Grants	6.9	8.6	8.3	14.5	25.6	283.2	-	283.2
(Economic Support Fund)	-	-	-	5.0	10.0	310.7		
b. Food for Peace (PL 480)	16.3	13.5	10.0	10.9	15.8	335.9	80.9	255.0
Loans	15.7	10.0	10.0	10.0	15.0	245.4	80.9	164.5
Grants	0.6	3.5	-	0.9	0.8	90.5	-	90.5
Title I - Total Sales Agreements	15.7	10.0	10.0	10.0	15.0	286.4	80.9	205.5
Repayable in U.S. Dollars - Loans	15.7	10.0	10.0	10.0	15.0	212.9	76.0	136.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	73.5	4.9	68.6
Title II - Total Grants	0.6	3.5	-	0.9	0.8	49.5	-	49.5
Emerg. Relief, Econ. Develop. & World Food Program	*	-	-	-	-	19.9	-	19.9
Voluntary Relief Agencies	0.6	3.5	-	0.9	0.8	29.6	-	29.6
c. Other Economic Assistance	3.2	4.5	3.7	4.5	4.6	44.6	-	44.6
Loans	-	-	-	-	-	-	-	-
Grants	3.2	4.5	3.7	4.5	4.6	44.6	-	44.6
Peace Corps	3.2	4.5	3.7	4.5	4.6	44.6	-	44.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	6.9	6.8	10.7	10.1	7.8	191.6	46.2	145.4
Credits or Loans	6.1	6.0	7.5	2.0	-	132.6	46.2	86.4
Grants	0.8	0.8	3.2	8.1	7.8	59.0	-	59.0
a. MAP Grants	-	-	3.0	7.5	7.0	40.8	-	40.8
b. Credit Financing - FMS	6.1	6.0	7.5	2.0	-	132.6	46.2	86.4
c. Military Assistance Service-Funded (MASF) Grants	0.8	0.8	0.2	0.6	0.8	13.0	-	13.0
d. Transfers from Excess Stocks	-	-	-	-	-	5.2	-	5.2
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	33.3	35.4	34.7	40.0	53.8	994.3	181.9	812.4
Loans	21.8	18.0	19.5	12.0	15.0	517.0	181.9	335.1
Grants	11.5	17.4	15.2	28.0	38.8	477.3	-	477.3
Other U.S. Government Loans and Grants	-	-	10.9	1.0	9.9	276.9	217.5	59.4
a. Export-Import Bank Loans	-	-	-	-	-	234.8	179.7	55.1
b. All Other Loans	-	-	10.9	1.0	9.9	42.1	37.8	4.3

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	92.4	158.9	154.4	1400.1
IBRD	0.0	0.0	0.0	221.7
IFC	0.2	0.6	21.9	27.6
IDA	88.5	66.5	91.4	653.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	1.5	89.5	41.1	204.7
UNDP	2.2	2.3	0.0	73.9
OTHER-UN	0.0	0.0	0.0	26.3
EEC	0.0	0.0	0.0	192.4

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	26.0	29.0	177.0
Belgium	103.6	93.0	774.0
Japan	43.6	13.8	179.6
Germany,Fed. Rep.	32.0	32.0	175.6
France	24.7	23.1	163.5
Other	32.2	24.7	130.1
Total	262.1	215.6	1,600.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
5.7	N.A.	30.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	405	–	–	–	–	–	405	–
Grants	33,954	12,720	–	11,210	14	–	10,010	–
Total	34,359 a/	12,720	–	11,210	14	–	10,415	–
1986								
Loans	–	–	–	–	–	–	–	–
Grants	29,620	12,300	2,080	5,570	100	–	9,570	–
Total	29,620	12,300	2,080	5,570	100	–	9,570	–
1987								
Loans	–	–	–	–	–	–	–	–
Grants	35,300	11,100	1 100	4,100	800	2,200	16,000	–
Total	35,300	11,100	1,100	4,100	800	2,200	16,000	–

a/ FY 1985 totals include reobligations of $410 in Agriculture, Rural Development and Nutrition, $110 in Health and $415 in ESF ($405 loan; $10 grant).

FY 1987
PROGRAM HIGHLIGHTS

Development Assistance ($19.3 million) for activities designed to:

-- improve agricultural policy planning and analysis capabilities;
-- research and extend improved varieties of casava, corn, legumes;
-- increase production and improve marketing of food crops in Bandunu region;
-- improve accessibility to credit for agricultural commerce and industry;
-- establish a sustainable system of community-supported primary health care;
-- promote voluntary family planning.

Economic Support Funds for increased production and improved marketing of food crops in Shaba region ($16 million).

PL 480 Title I commodities ($17 million) to help offset agricultural supply deficits. Title II commodities ($125,000) for assistance to malnourished children in Kinshasa.

ZAIRE

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	1,215	2,783	1,413
Grants	10,124	46,226	33,158
Total AID	11,339	49,009	34,571
P.L. 480 **			
Title I	20,000	20,000	17,000
(of which Title III is)	(–)	(–)	(–)
Title II	591	125	125
Total P.L. 480	20,591	20,125	17,125
Total AID and P.L. 480	31,930	69,134	51,696

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	94,000	13,000	100,000	13,000	93,000	12,000
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	5,000	7,000	5,000	7,000	9,000	5,000
Title I Total *(of which Title III is)*	99,000	20,000	105,000	20,000	102,000	17,000
Title II 1/						
Voluntary Agencies	4,101	591	1,100	125	1,100	125
Government - to - Government	165	49	–	–	–	–
Title II Total	4,266	640	1,100	125	1,100	125
Total P.L. 480	103,266	20,640	106,100	20,125	103,100	17,125

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	20	21	21
PASA[b]	2	2	2
TOTAL	22	23	23

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel, One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	42	71	72	23	95	76	33	109
Regional[e]	10	6	16	13	13	26	15	13	28
TOTAL	39	48	87	85	36	121	91	46	137

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	3	15	18	–	1	1	–	7	7
Regional[e]	–	18	18	–	3	3	–	2	2
TOTAL	3	33	36	–	4	4	–	9	9

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

ZAIRE

Development Overview

Zaire has a dual economy with great promise. It has a rich minerals sector with the potential to finance the development of the traditional rural economy and to help improve the quality of life for the majority of the population. Although rural productivity and income are presently very low, Zaire nonetheless has unusually high potential for rural development.

Since independence, most of Zaire's political energy has been spent in establishing national unity and viable national institutions. This struggle, costly in human and material terms, prevented the Government of Zaire from concentrating on sound economic management. Partly as a consequence, Zaire borrowed excessively in international capital markets in the early 1970s when copper prices were high and made politically advantageous but economically disastrous investment and policy decisions. This era ended with the rapid drop in copper prices in 1974. Subsequently, the unfavorable trend in Zaire's terms of trade has been the most important economic factor bearing on Zaire's development. Zaire has been unable to meet its full external obligations since 1975, and the country still faces a long period in which most of its considerable wealth will be mortgaged to pay past debts, leaving little to support economic growth.

Improved economic management is the key to overcoming these problems and to realizing Zaire's potential. Although earlier attempts were failures, Zaire's fiscal and monetary policies since January 1983 have successfully met difficult conditions. The Standby Agreement reached with the IMF in December 1983 was followed by another agreement in March 1985. A third agreement should be in place when the present program expires in March 1986. As part of its reform package, the Government instituted a market-based foreign exchange system; liberalized domestic pricing and interest rate policies; eliminated many parastatal enterprises, especially in agriculture; imposed fiscal austerity; and reduced inflation significantly. These reforms constitute one of the most dramatic reversals in economic management policies in Africa in the recent past. They should give a substantial boost to Zaire's effort to carry out effective development programs.

Zaire still faces major challenges. First, Zaire must continue to improve fiscal and monetary management so as to qualify for continued external financial relief. Second, Zaire still needs a well planned and well implemented investment program, emphasizing rural infrastructure and agriculture while improving resource management in transportation, mining, power, and other major sectors. The five-year investment plan beginning in 1986 could begin to fulfill this objective. Finally, the Zairian Government's development policies, having shifted from statism to liberalism, should now move on to providing positive support to the entrepreneurial energies of farmers and non-governmental productive enterprises.

ZAIRE

U.S. Interests and Objectives

United States political and strategic interests in Africa and the world are furthered by supporting the constructive role Zaire is playing in international affairs. Zaire is centrally located in Africa. It is the second largest and second most populous country in the region. Zaire is rich in natural resources, including several minerals of strategic interest to the U.S. It has taken diplomatic actions which have contributed to stability and peace in Africa and the Middle East. Zaire has also received refugees from several neighboring countries. The Government of Zaire is friendly to the United States and generally supports the positions of the U.S. Government in international fora.

The A.I.D. program most directly supports humanitarian interests by pursuing long-term economic development and by helping to relieve short-term, acute problems of hunger and refugees. The program supports U.S. political and strategic interests through a policy dialogue and economic aid which helps Zaire deal with its long-standing financial crisis.

Finally, the U.S. interest in the development of increased private commercial ties with Zaire is furthered by A.I.D.'s support for financial stabilization, which is vital to private commercial development and its encouragement of increased reliance on the local private sector in Zaire's economic development. In Zaire, A.I.D.'s goal of fostering economic development is fully consistent with broader U.S. goals of increased trade, private investment, and continuing access to strategic minerals.

A.I.D. Development Strategy

The A.I.D. program strategy is composed of five elements:

First, A.I.D. supports Zaire's efforts for economic stabilization by providing balance of payments support and supplementing the Zairian Government's local currency investment budget by generating counterpart funds through the financing of commodity imports.

Second, A.I.D. is encouraging further liberalization and administrative decentralization and stimulating private investment so as to promote economic recovery. A.I.D. also helps build development institutions to improve Zaire's policy analysis, public investment, and general public administration.

As the centerpiece of the program, A.I.D. is making direct investments toward increased output from small farms. This element of the strategy combines the rehabilitation of transportation, marketing and agribusiness infrastructure with the introduction of appropriate agricultural inputs in parts of the Bandundu and Shaba regions. A.I.D. programs support both research to improve varieties of corn, cassava and legumes and local non-governmental organizations (NGOs) active in agricultural extension activities.

Improvement in the health status of the population is the fourth element of the program. A.I.D. provides technical assistance, training and commodities to support the nationwide objective of a self-sustaining, community-supported preventive rural health care delivery system in close collaboration with NGO-sponsored health activities wherever feasible.

As a final element, A.I.D.-provided training, technical assistance, and contraceptive supplies support voluntary family planning in both rural and urban areas in order to increase access to family planning services.

A.I.D. Program (FYs 1985-1986)

In 1985 A.I.D. started six new projects. Design activities are underway for two new projects to be initiated in 1986. One is a follow-on project for continued support to agricultural planning and policy analysis; the second is a major agricultural crop production and marketing project to be implemented in central Shaba region. The latter project builds on the very successful North Shaba Rural Development project (660-0059).

Economic Stabilization - Commodity import financing is being provided with Economic Support Fund resources and through the PL 480 Title I program. The 1985 ESF-financed Agricultural Inputs Support II project (660-0103) provided $10 million in foreign exchange for the importation of U.S. equipment and materials vital to increased agricultural production and marketing. Bulk wheat ($13 million) and cotton fiber ($7 million) were imported in 1985 under the PL 480 Title I program. A 1986 Title I program of the same commodity mix and dollar value has also been signed.

In 1985, A.I.D. and Zaire programmed local currency counterpart fund expenditures equivalent to $21 million. For CY 1986, the equivalent of almost $35 million is expected to be available for programming, mainly for health and agriculture activities. These counterpart funds represent a significant percentage of Zaire's total annual investment budget for these two sectors.

Economic Recovery - Commodity import financing is a relatively quick disbursing form of assistance which is highly valued by Zaire during this period of IMF-encouraged austerity. This assistance provides important leverage in A.I.D.'s efforts to influence economic liberalization, administrative decentralization and private enterprise promotion.

The Agricultural Policy and Planning project (660-0119), slated for initial obligation in 1986, is A.I.D.'s latest bilateral effort with institution building/policy development objectives. As a follow-on to the Agriculture Sector Studies project (660-0070), the new project is expected to provide analytical staff services; strengthen regional planning capacity; increase interdepartmental coordination of agricultural and transportation policies; and sustain the trend toward liberalization in economic policy by, among other measures, promoting private sector participation in public policy-making.

ZAIRE

Increased Output from Small Farms - A.I.D. investments to increase small-scale farmer productivity and income levels are concentrated in the Bandundu and Shaba regions. In Bandundu, four area-specific projects (Agricultural Marketing Development I, II, III (660-0026, 660-0028, and 660-0098) and the Area Food and Marketing project (660-0102) are working to rehabilitate existing transportation routes and introduce improved agricultural production and marketing techniques. Previous implementation problems in these projects have been overcome. The joint A.I.D.-Peace Corps Fish Culture Expansion project (660-0080) has been very successful in spreading advanced, affordable fish production technologies to small farmers. In Shaba, the transfer of responsibilities for the maintenance of the crop extension service and the 1500 km farm-to-market road network from the A.I.D.-financed North Shaba Rural Development project (660-0059) to other financing sources is proceeding. The new Central Shaba Agricultural Development project (660-0105) has a broader geographical coverage and framework of activities--road rehabilitation, seed farm development, expanded crop extension, improved agricultural marketing and more effective regional planning.

A.I.D. is supporting applied agricultural research in basic food crops to identify and develop improved varieties and test their acceptability through a farming systems approach. The Applied Research and Development project (660-0091) is also expected to lead to improved agronomic practices among small farmers in the region.

Zaire's centralized agricultural research system is generally dilapidated and unmanageable. A.I.D. is therefore encouraged by the Government's stated intentions to streamline the structure and focus the operation of Zaire's agricultural research system over a three year period, in accord with the recommendations of the A.I.D.-financed ISNAR (International Service for National Agricultural Research) study.

Improved Health Status (Including Population) - The new Basic Rural Health II project (660-0107) is A.I.D.'s primary means of support for the implementation of Zaire's national health plan. A recent evaluation of the Basic Rural Health I project (660-0086) noted its success in training over 2,800 medical and paramedical personnel, establishing 50 rural health zones, and converting over 150 dispensaries to full service health centers. The new project will help establish 50 more rural health zones and open or convert another 720 health centers.

Successful implementation of the planned expansion of primary health care in Zaire will depend ultimately on the availability of trained personnel to staff the new health centers. The School of Public Health project (660-0101) is a response to this need. The project is establishing an independent and fully accredited school of public health at the University of Kinshasa. Tulane University was recently chosen as the institutional contractor for the project. The two Health-funded refugee relief projects in southwestern Shaba have gotten a quick start through two indigenous NGOs. The Shaba Refugee Health project (660-0114), administered by the

United Methodist Church, is restoring local health centers and providing health care inputs and training. The Shaba Refugee Water Supply project (660-0116) is providing two water sources for each of approximately 500 villages in the project area and for local hospitals. The United Nations High Commission on Refugees has estimated a total of 190,000 refugees and returnees have settled in the area served by these two projects.

The American ORT Federation is implementing a PL 480 Title II-supported maternal and child health program initiated in 1985. The program is time-limited and targetted to 50,000 malnourished children in Kinshasa.

Family Planning - The A.I.D. approach in this area is to expand access to urban family planning services through the Family Planning Services (660-0094) project; provide family planning as a significant component of the Basic Rural Health II (660-0107) project; selectively use A.I.D. centrally-funded cooperating agencies; and support the creation of the School of Public Health (660-0101) which will include a family planning component.

Requested Year Program (FY 1987)

A.I.D. is requesting a total of $19,300,000 in Development Assistance funds, $16,000,000 in Economic Support Funds, and $17,125,000 under Titles I and II of PL 480.

Economic Stabilization - The requested $17 million of PL 480 Title I assistance will continue to finance the importation of agricultural commodities such as wheat and cotton.

Economic Recovery - The liberalization of Zaire's policies toward private enterprise, interest rates, and the foreign exchange market has led to the proposed Private Sector Support project (660-0120). Initial funding of $3.0 million from Development Assistance appropriations would support the further development of private banking and agro-industrial enterprise in Zaire through such measures as term lending, equity financing and technical assistance.

The recent A.I.D.-financed Investment Climate Survey will influence the design of the new Private Sector Support project as well as better inform prospective foreign and indigenous investors of the potential for private investment in Zaire. These activities will also serve to support A.I.D. policy dialogue objectives through the identification of institutional and economic steps needed for Zaire to increase private industrial and commercial investment. Additional funding is requested for program development and support and for the on-going Agricultural Policy and Planning (660-0119) and Development Manpower Training (660-0068) projects.

ZAIRE

Increased Output from Small Farms - Economic Support Funds of $16 million are proposed for the Central Shaba Agricultural Development project (660-0105). Development Assistance funds from the Agriculture, Rural Development and Nutrition account are requested for the Area Food and Marketing project (660-0102) in the amount of $2 million, Applied Research and Extension project (660-0091) for $4 million, and for program development and support purposes ($200,000).

Improved Health Status - Funds from the Health account in the amount of $4.1 million are requested to continue the Basic Rural Health II project (660-0107) and for program development and support purposes. In addition, $125,000 of PL 480 Title II resources are requested for third-year funding of the Maternal and Child Health program.

Expand Access to Family Planning Services - Population funding for an amended Family Planning Services project (660-0094) is requested in the amount of $1,000,000 in 1987. Program Development and Support funds of $100,000 are also requested from the Population account.

MISSION DIRECTOR: Richard L. Podol

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZAIRE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
AGRICULTURE MARKETING DEVELOPMENT LOAN		L	660-0026	79	79	5,000	5,000	5,000	3,196	---	590	---	620
AGRICULTURAL MARKETING DEVELOPMENT		G	660-0028	81	85	300	300	300	60	---	90	---	80
AGRICULTURAL MARKETING DEVELOPMENT		L	660-0028	81	85	4,405	4,405	4,000	771	---	1,727	---	793
NORTH SHABA RURAL DEVELOPMENT		G	660-0059	76	85	15,125	15,125	15,125	12,303	---	2,822	---	---
NORTH SHABA RURAL DEVELOPMENT		L	660-0059	76	85	3,500	3,500	3,500	3,439	---	61	---	---
INERA SUPPORT		G	660-0064	77	81	2,950	2,950	2,950	2,897	---	53	---	---
AGRICULTURE SECTOR STUDY		G	660-0070	77	85	4,990	4,990	4,990	3,172	---	1,818	---	---
CASSAVA OUTREACH		G	660-0077	78	82	3,027	3,027	3,027	2,679	---	348	---	---
AREA NUTRITION IMPROVEMENT		G	660-0079	82	85	4,300	4,300	4,300	1,245	---	1,367	---	1,018
FISH CULTURE EXPANSION		G	660-0080	78	85	1,186	1,186	1,186	396	---	447	---	209
APPLIED RESEARCH AND EXTENSION		G	660-0091	83	88	10,000	15,000	6,502	357	2,200	3,278	4,000	3,220
AGRICULTURE MARKETING DEVELOPMENT		G	660-0098	84	87	8,000	8,000	3,800	133	4,200	2,626	---	2,520
AREA FOOD AND MARKETING DEV.		G	660-0102	85	92	15,000	15,000	3,300	9	3,100	2,821	2,000	1,380
APPROPRIATE RURAL TECHNOLOGY (OPG/PVO)		G	660-0104	84	84	134	134	134	50	---	65	---	18
PVO MANAGEMENT SUPPORT		G	660-0113	85	85	794	794	793	200	---	210	---	383
AGRI. POLICY & PLANNING		G	660-0119	86	89	---	10,000	---	---	2,600	700	1,900	1,400
PRIVATE SECTOR SUPPORT	*	G	660-0120	87	90	---	11,000	---	---	---	---	3,000	2,000
PROGRAM DEV. AND SUPPORT-ZAIRE		G	660-0510	85	C	---	---	56	19	200	267	200	200

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*Refers to the planned project summary sheet

@Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZAIRE

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR ACCOUNT					78,711	104,711	58,993	30,926	12,300	19,293	11,100	13,841
GRANTS					65,806	91,806	46,493	23,520	12,300	16,915	11,100	12,428
LOANS					12,905	12,905	12,500	7,406	---	2,373	---	1,413
POPULATION PLANNING												
FAMILY PLANNING	G	660-0094	83	87	3,940	4,940	3,940	1,375	---	1,880	1,000	980
SCHOOL OF PUBLIC HEALTH	G	660-0101	84	86	2,080	2,080	---	---	2,080	500	---	600
PROGRAM DEV. AND SUPPORT-ZAIRE	C	660-0510	85	C	---	---	---	---	---	---	100	100
TOTAL FOR ACCOUNT					6,020	7,020	3,940	1,375	2,080	2,380	1,100	1,680
GRANTS					6,020	7,020	3,940	1,375	2,080	2,380	1,100	1,680
LOANS					---	---	---	---	---	---	---	---
HEALTH												
BASIC RURAL HEALTH	G	660-0086	81	85	4,975	4,975	4,975	3,362	---	1,613	---	---
INTEGRATED RURAL DEVELOPMENT (PVO)	G	660-0093	81	81	389	389	389	323	---	66	---	---
SCHOOL OF PUBLIC HEALTH	G	660-0101	84	86	6,235	6,235	4,000	---	2,235	780	---	1,105
BASIC RURAL HEALTH II	G	660-0107	85	89	16,401	16,401	4,250	---	2,500	1,000	4,000	1,500
SHABA REFUGEE HEALTH	G	660-0114	85	85	2,500	2,500	2,500	200	---	1,505	---	415
SHABA REFUGEE WATER SUPPLY	G	660-0116	85	85	2,250	2,250	2,250	301	---	578	---	215
KIMBANGUIST HOSPITAL ASSISTANCE (OPG)	G	660-0122	86	86	---	750	---	---	750	250	---	350
PROGRAM DEV. AND SUPPORT-ZAIRE	G	660-0510	85	C	---	---	100	59	85	126	100	100
TOTAL FOR ACCOUNT					32,750	33,500	18,464	4,245	5,570	5,918	4,100	3,685
GRANTS					32,750	33,500	18,464	4,245	5,570	5,918	4,100	3,685
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT MANPOWER TRAINING	G	660-0068	80	87	2,544	3,344	2,544	1,123	---	812	80	609

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZAIRE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEV. AND SUPPORT-ZAIRE		G	660-0510	85	C	---	---	14	11	100	103	---	---
TOTAL FOR ACCOUNT						2,544	3,344	2,558	1,134	100	915	800	609
GRANTS						2,544	3,344	2,558	1,134	100	915	800	609
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
PRIVATE SECTOR SUPPORT	*	G	660-0120	87	90	---	7,000	---	---	---	---	2,100	1,000
PROGRAM DEV. AND SUPPORT-ZAIRE		G	660-0510	85	C	---	---	---	---	---	---	100	100
TOTAL FOR ACCOUNT						---	7,000	---	---	---	---	2,200	1,100
GRANTS						---	7,000	---	---	---	---	2,200	1,100
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
AGRICULTURAL MARKETING DEVELOPMENT		L	660-0028	81	85	405	405	405	---	---	405	---	---
AGRICULTURE SECTOR STUDY		G	660-0070	77	87	510	510	510	500	---	---	---	---
FISH CULTURE EXPANSION		G	660-0080	78	78	464	464	464	400	---	64	---	---
ECONOMIC SUPPORT-(PVO)		G	660-0097	83	83	5,000	5,000	5,000	2,516	---	2,274	---	210
AGRICULTURAL INPUTS SUPPORT		G	660-0100	84	84	10,000	10,000	10,000	204	---	6,900	---	2,896
AGRICULTURAL INPUTS SUPPORT II		G	660-0103	85	95	10,000	10,000	10,000	---	---	6,150	---	3,850
CENTRAL SHABA AGRICULTURAL DEV.		G	660-0105	86	90	---	50,000	---	---	9,570	4,700	16,000	6,700
TOTAL FOR ACCOUNT						26,379	76,379	26,379	3,620	9,570	20,493	16,000	13,656
GRANTS						25,974	75,974	25,974	3,620	9,570	20,088	16,000	13,656
LOANS						405	405	405	---	---	405	---	---
TOTAL FOR COUNTRY						146,404	231,934	110,334	41,300	29,620	48,999	35,300	34,571
GRANTS						133,094	218,644	97,429	33,894	29,620	46,216	35,300	33,158
LOANS						13,310	13,310	12,905	7,406	---	2,783	---	1,413

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: ZAIRE

PLANNED PROGRAM SUMMARY SHEET

Title Private Sector Support		Funding Source	AG, RD & N 3,000	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,100	Life of Project Funding 11,000 ARDN; 7,000 SDA
Number 660-0120 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 2,100	Initial Obligation FY 1987	Estimated Final Obligation FY 1990
						Estimated Completion Date of Project FY 1991

Purpose: To increase the capacity of Zairian banks to finance small and medium private agricultural marketing and processing enterprises and small and medium industries that support them.

Project Description: One aspect of Zairian underdevelopment is the lack of self-sustaining private financial mechanisms for small and medium enterprises. Commercial banks traditionally have concentrated on relatively large commercial and industrial concerns. The Presidential Agricultural Task Force report noted that Zaire does not have the resources to undertake term lending to small enterprises, even a special pilot program to give banks experience with such lending. Enterprises connected with agriculture are particularly in need of this assistance, however.

The project will provide technical and capital assistance to Zairian banks for term lending to and equity investment in private enterprises which are active in agricultural marketing or processing or which support these industries. Sub-loans in either local or foreign currencies would be made for capital goods, such as transport and power generation equipment and machinery for agricultural product processing and storage, and also for working capital. The proposed operation, being profit oriented, should become a self-sustaining component of banking in Zaire. Technical assistance to sub-borrowers to improve business management and to develop bankable projects will be provided as necessary through banks or business service organizations. The project will promote reform of Government of Zaire regulations and procedures in order to facilitate business growth. The establishment of an investment support agency in the Government of Zaire will be studied.

Relationship to A.I.D. Country Strategy: The project will support Zairian economic recovery by enabling the private sector to purchase the inputs needed to increase production and generate more productive employment. Such support is the highest priority in A.I.D.'s development strategy for Zaire in the near to medium term. Furthermore, reliance on private businesses to supply services in the agricultural sector is a key component of A.I.D.'s efforts to expand Zaire's agricultural production.

Beneficiaries: The project aims to build up the private enterprises that serve the agricultural economy. Zaire's agriculturalists, primarily small farmers, will benefit by having more reliable outlets and higher prices for their agricultural outputs. Since processed agricultural commodities are frequently basic consumption goods, the average Zairian consumer will also benefit from increased supplies and lower prices.

Host Country and Other Donors: This project is unique in Zaire. World Bank and other donor support for similar efforts does not involve the private financial sector. The proposed project will concentrate on encouraging private institutions to finance loans and equity investments. It will also reinforce recent increased financing of private enterprise investment in Zaire by the International Finance Corporation.

Major Outputs: Commercial banks experienced with term and equity lending to agricultural-related small and medium enterprises; improved management and more employment, production and profitability among these firms; and improved public policies towards small and medium enterprise development.

A.I.D. Financed Inputs:	Life of Project ($000)
Business advisory services, term loans and equity investment in agriculture-related small and medium firms, and technical assistance	18,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	▨
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,100	12,900	18,000

Principal Contractors or Agencies
To be selected.

ZAMBIA

FY 87 CP ECONOMIC AND SOCIAL DATA

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COUNTRY:  (611) ZAMBIA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)       6,832

PER CAPITA GNP.......... (DOLLARS,1983)         580

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -1.3%

ANNUAL RATE OF INFLATION (1973-83) 10.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976)   3.6%
 .
LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 51.7  MALE 50.0  FEMALE 53.5
                    (1970)   TOTAL 46.3  MALE 44.7  FEMALE 47.9

ADULT LITERACY RATE  (1969)   TOTAL  47%  MALE  61%  FEMALE  35%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)  -1.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    14%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)         15


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,CASSAVA ,MILLET                  37%   (1984)
  CASH: COTTON ,PEANUTS ,SUGARCANE                     3%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,TOBACCO ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,WHEAT ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1969)    15%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1980)      1,003 (81)         987 (82)          927
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1980)      1,722 (81)       1,476 (82)        1,647
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1980)       -720 (81)        -518 (82)         -720
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)   . % ( .)    . %
  AS % OF GNP................. (    .)   . % ( .)   . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)   142 (83)   125 (84)    55
  EQUIVALENT TO  0.7 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COPPER         ,ZINC           ,COBALT

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   28  (1983)   49  (1984)  117
   AS % OF TOTAL EXPORTS (1982)    3% (1983)    6% (1984)  14%

MAJOR IMPORTS(1983)MACHINERY      ,TRANSP. EQ     ,FOODSTUFFS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   76  (1983)   38  (1984)   99
   AS % OF TOTAL IMPORTS (1982)    8% (1983)    6% (1984)  16%

TRADE BALANCE($ MILLIONS, U.S.)(1982)    -56(83)    200(84)   245

TRADING PARTNERS: UNITED KINGDOM ,JAPAN ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     105%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)   126
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  13.9%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   3.0% (1978)   3.1% (1985)  3.2%

POPULATION IN URBAN AREAS............(1970)    31%   (1985)   48%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)    48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)   1.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 48.3% (15-64YRS) 49.4% (65+ YRS)  2.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 107

PEOPLE PER PHYSICIAN................ (1979)  7,671

MAJOR CAUSES OF
DISEASE (1981) TUBERCULOSIS    ,LEPROSY          ,TUBERCULOSIS
DEATH.. (1968) SYPHILIS        ,ACCIDENTS        ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   102%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  67%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL   105    MALE   111     FEMALE  99.1
SECONDARY....... (1980)  TOTAL  12.8    MALE  16.5     FEMALE   8.8
POST SECONDARY.. (1979)  TOTAL   1.2    MALE   2.0     FEMALE   0.6

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)    73.2%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ZAMBIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	46.4	30.6	27.1	27.9	36.4	305.4	47.7	257.7
Loans	32.5	25.0	22.0	22.0	10.0	238.6	47.7	190.9
Grants	13.9	5.6	5.1	5.9	26.4	66.8	-	66.8
a. A.I.D. and Predecessor Agencies	24.0	20.6	20.1	15.5	21.3	186.3	16.8	169.5
Loans	20.0	15.0	15.0	15.0	-	144.2	16.8	127.4
Grants	4.0	5.6	5.1	0.5	21.3	42.1	-	42.1
(Economic Support Fund)	24.0	20.6	20.1	15.5	21.3	171.4		
b. Food for Peace (PL 480)	22.4	10.0	7.0	12.4	15.1	96.7	3.8	92.9
Loans	12.5	10.0	7.0	7.0	10.0	72.0	3.8	68.2
Grants	9.9	-	-	5.4	5.1	24.7	-	24.7
Title I – Total Sales Agreements	12.5	10.0	7.0	7.0	10.0	72.0	3.8	68.2
Repayable in U.S. Dollars – Loans	12.5	10.0	7.0	7.0	10.0	72.0	3.8	68.2
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	9.9	-	-	5.4	5.1	24.7	-	24.7
Emerg. Relief, Econ. Develop. & World Food Program	9.9	-	-	5.4	5.1	24.7	-	24.7
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	22.4	27.1	4.7-
Loans	-	-	-	-	-	22.4	27.1	4.7-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	46.4	30.6	27.1	27.9	36.4	305.4	47.7	257.7
Loans	32.5	25.0	22.0	22.0	10.0	238.6	47.7	190.9
Grants	13.9	5.6	5.1	5.9	26.4	66.8	-	66.8
Other U.S. Government Loans and Grants	-	-	-	-	-	101.2	105.3	4.1-
a. Export-Import Bank Loans	-	-	-	-	-	101.2	105.3	4.1-
b. All Other Loans	-	-	-	-	-	-	-	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL..........	40.1	104.9	124.3	1152.9
IBRD	0.0	75.0	0.0	655.6
IFC	18.8	5.8	0.0	100.4
IDA	20.3	22.4	52.1	182.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	72.2	134.3
UNDP	1.0	0.2	0.0	32.7
OTHER-UN	0.0	1.5	0.0	5.3
EEC	0.0	0.0	0.0	42.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	22.0	23.0	195.0
United Kingdom	22.5	21.1	212.9
Sweden	27.5	29.4	160.1
Germany,Fed. Rep.	29.0	25.0	147.8
Japan	25.0	19.3	124.7
Other	65.6	62.6	335.3
Total	191.6	180.4	1,175.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
-	N.A.	11.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	10	-	30
Eastern Europe	-	-	165
Total	10	-	195

ZAMBIA

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 85 Actual	FY 86 Estimated	FY 87 Request
Loans	---	---	---
Grants	40,000	15,000	20,000
Total	40,000	15,000	20,000

Development Overview

Zambia, with an estimated 6.8 million people, 45% of whom live in urban areas, is one of the most urbanized societies in Africa south of the Sahara. Economically, mining is the most important sector and over a period of years accounted for approximately 32% of gross domestic product (GDP). Revenues from the mining sector, Zambia's major resource, have been reduced drastically since 1976 because of depressed prices for copper on the world market as well as declining production. Despite the significant decline in copper prices, the industry remains the primary determinant of Zambia's economic and financial performance because the mining sector earns over 90% of Zambia's foreign exchange. The fundamental development problem in Zambia is to diversify the economy by reducing dependence on the mining sector and increasing emphasis on the high potential, yet low performance, agricultural sector.

A high degree of dualism exists in Zambia, with sharp income disparities between the urban-oriented modern sector, dominated by mining, and the rural agricultural sector. Other socio-economic indicators show literacy at 47%; two-thirds of the population with reasonable access to a safe water supply; and life expectancy of 52 years. Zambia's mineral resources and large land area offer considerable potential for development. At currently projected rates of extraction, the country's known resources of copper will last about 15 years. During this period, financial resources generated by the mining sector must support efforts to diversify the economy, especially in agriculture and rural development, in order to lessen the country's dependence on copper. At present only a small percentage of the country's arable land is under production at any one time. Moreover, subsistence farmers using traditional practices account for 85% of total cereal production and 90% of all cattle slaughtered. Significant production increases are therefore possible through both the expansion of area under cultivation and through increased yields as traditional farmers adopt more modern farming practices. Enhancing this potential is Zambia's usually favorable climate for a wide variety of crops and livestock in varied ecological zones.

FY 1987
PROGRAM HIGHLIGHTS

-- A.I.D.'s objective is to assist Zambia through its financial and economic crisis by continuing to provide balance of payments support, while maintaining a development-oriented program to promote increased food production and small farm income.

-- $15.0 million will be used for Commodity Imports; $1.0 million for Manpower Training; $2.0 million for Agricultural Research and Extension; $2.0 million for Agricultural Planning and Institutional Development; and $10.0 million for PL 480 Title I.

Its potential notwithstanding, Zambia faces formidable development constraints. In the medium term Zambia has to deal with serious financial problems owing to falling copper prices and a large debt. The drought during recent years has added further strain on the Zambian economy by forcing the country to import large quantities of food. Transportation, also a major problem for land-locked Zambia, is expensive and routes are affected by political/security problems and maintenance difficulties. Another major constraint facing Zambia is the lack of adequately trained personnel. This deficiency is evident in the continued dependence upon expatriate technical and managerial personnel, the limited institutional capacity of many local entities and the inefficient management of several key organizations.

The Government of the Republic of Zambia (GRZ) has undertaken a series of corrective measures to stabilize the economy since the onset of the economic crisis in the mid-1970's. These measures have included an initial stabilization program in 1976, and an extended fund facility and various standby arrangements with the International Monetary Fund (IMF). In 1983 the Zambian currency was devalued by 35% , a significant number of prices decontrolled, agricultural producer prices increased and new tax measures implemented. In addition, a three-year investment plan was presented to the donor community at a Consultative Group Meeting in Paris in 1984. Nationwide food production programs have been launched, and a number of agricultural policies have been changed to provide incentives to Zambia's farming community. In 1985, the Government demonstrated ~~its~~ commitment to strengthen the economy with a number of bold reform measures. These include a sharp reduction in the subsidy for maize meal, increased producer prices, decontrolling interest rates, and, most importantly, a new foreign exchange auction system for allocating and setting foreign exchange rates. The auction system, initiated in October 1985, has resulted in a sharp depreciation of the local currency and in a much more realistic exchange rate.

ZAMBIA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
Aid *			
Loans	1,030	1,141	---
Grants	14,599	41,077	34,292
Total AID	15,629	42,218	34,292
P.L. 480 **			
Title I	10,000	10,000	10,000
(of which Title III is)	(---)	(---)	(---)
Title II	---	---	---
Total P.L. 480	10,000	10,000	10,000
Total AID and P.L. 480	25,629	52,218	44,292

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 85 (Actual)		FY 86 (Estimated)		FY 87 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	38,375	5,000	37,000	5,000	39,000	5,000
Rice	---	---	---	---	---	---
Feedgrains	---	---	---	---	---	---
Vegoil	8,853	5,000	7,000	5,000	9,000	5,000
Non-food	---	---	---	---	---	---
Title I Total	47,228	10,000	44,000	10,000	48,000	10,000
(of which Title III is)	(---)	(---)	(---)	(---)	(---)	(---)
Title II 1/						
Voluntary Agencies	---	---	---	---	---	---
Government - to - Government	---	---	---	---	---	---
Title II Total	---	---	---	---	---	---
Total P.L. 480	47,228	10,000	44,000	10,000	48,000	10,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

ZAMBIA

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7	8	8
PASA[b]	--	1	1
TOTAL	7	9	9

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	41	33	74	76	12	88	78	25	103
Regional[e]	19	1	20	20	8	28	8	5	13
TOTAL	60	34	94	96	20	106	86	30	116

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP)

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	6	7	--	5	5	--	10	10
Regional[e]	--	--	--	--	2	2	--	2	2
TOTAL	1	6	7	--	7	7	--	12	12

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

The reform efforts of the GRZ have bought time, but successful exploitation of Zambia's development potential over the long term will depend upon the determination with which the GRZ continues to adopt--and implement--policies conducive to structural change and economic growth. Bringing about the changes needed requires perseverance in several difficult areas. These areas include continuing efforts to maintain the financial stability of the economy; the continued restructuring of relative domestic prices, particularly of agricultural products, to improve resource allocation; the adjustment of fiscal and monetary policies; improvement in the performance of parastatals; encouragement of the private sector; and the strengthening of institutions supportive of the Government's development planning capacity at national, ministerial and provincial levels. Most importantly, diversification efforts should include policy changes that bring rural and urban incomes into better balance.

U.S. Interests and Objectives

The United States has a vital interest in maintaining peace and stability in the sensitive region of Southern Africa, especially in view of the current problems in South Africa and the impact these problems will have upon the entire southern Africa region. The GRZ plays an important role in the resolution of regional problems. U.S. objectives are to encourage Zambian stability, self-reliance and development so that the country can achieve economic growth and development despite the political, military and economic turmoil in the region. Given its strategic position, a secure and prosperous Zambia will help to stabilize southern Africa as a whole, to ensure continued access to Zambia's strategic minerals and to support its policy initiatives in seeking peaceful resolutions of conflict in the area.

A.I.D. Development Strategy

Given Zambia's severe economic difficulties, the A.I.D. strategy has been to support economic stabilization measures as well as increased food production and small farm income.

The bulk of Zambia's agricultural production is derived from some 100,000 smallholder farmers. A.I.D.'s strategy has been to increase smallholder productivity by encouraging the Zambian government to adopt incentive policies such as increased prices paid for produce. In 1982 and 1983 this approach appeared to be paying off when Zambia's farmers planted 20% to 30% more acreage each year following the announcement of increased prices for maize. Unfortunately, the recurrent drought--which affected most of southern Africa--stunted the Zambia crop and the ultimate harvests fell short of Zambia's food needs, necessitating imports. In 1984 and 1985, the Government announced successive price increases for maize which have led to additional production increases.

ZAMBIA

A.I.D. will continue to emphasize agriculturally oriented assistance to support Zambian efforts to achieve economic stability. The proposed program will enhance Zambian agricultural planning, research and extension services to provide technical support for farmers and decision makers. Closely orchestrated P.L. 480 and commodity import programs, which will provide a strong basis for a continuing policy dialogue with the GRZ, will support Zambian policies and initiatives and complement technical assistance resources to increase agricultural productivity with the aim of eliminating the need to import food while exploiting export potential. The precise mix of assistance, i.e., project and non-project aid, will be subject to the realities of the economic situation faced by Zambia in the immediate future.

A.I.D. Program (FYs 1985-1986)

In FY 1985, the majority of A.I.D.'s assistance was in the form of foreign exchange support to stimulate primarily the agriculture sector, and to support GRZ stabilization and reform efforts. Commodity Import and P.L. 480 Title I programs, as in previous years, provided resources to assist the GRZ in its stabilization efforts. Through self-help and other measures, these two programs specifically encouraged and supported the GRZ in its efforts to improve farmers' terms of trade and reduce GRZ subsidies. The Zambia Multi-Channel Agricultural Marketing Program (611-K-603) was initiated in FY 1985. As one of A.I.D.'s activities under the new African Economic Policy Reform Program, it will fund a variety of commodities in the agriculture and transport sectors, is directed toward liberalization of the marketing of maize and fertilizer, and helps the GRZ reduce subsidies on these commodities. This program was developed as a response to the very positive reform measures being taken by the GRZ, measures which have been strongly indicated as necessary by A.I.D., the IBRD and IMF, and other bilateral and multilateral donors.

A.I.D.'s project activities in FY 1985 consisted primarily of technical assistance and training in the United States. A.I.D. assistance is strengthening the GRZ's capacity to analyze, define and implement development policy, and to improve the effectiveness of the country's agricultural research and extension services. These activities are continuing through implementation of the Zambia Agricultural Training, Planning and Institutional Development Project (611-0075), and the Agricultural Development Research and Extension Project (611-0201).

In FY 1986, A.I.D.'s major focus in Zambia will be as cash grant assistance. A Program Support Grant (611-K-604) will provide resources ($15.0 million) for importing commodities to complement the FY 1985 Multi-Channel Agricultural Marketing Program and to support the GRZ's newly initiated foreign exchange auction system. This Program Support Grant and the P.L. 480 Title I program ($10.0 million) will continue to provide short-term balance of payments relief, while contributing to the GRZ's longer term objectives to accelerate agricultural development and diversify the structure of the economy. Evaluations will be done in FY 1986 on the Commodity Import and P.L. 480 programs, in order to help in better implementing the existing programs and to aid in improving the design of future programs.

ZAMBIA

A.I.D. will continue in FY 1986 to emphasize technical assistance and training through its project activities. The Agricultural Training, Planning and Institutional Development Project (611-0075) and the Human and Institutional Resources Development Project (611--0206) will provide training and technical assistance focused on institutional development, primarily in the agricultural sector. The Agricultural Development Research and Extension Project (611-0201) will continue to strengthen the development of Zambia's research and extension activities. Final evaluations of the effectiveness and impact of both the Agricultural Training, Planning and Institutional Development and the Agricultural Development Research and Extension projects will be completed. These evaluations will assist in determining the nature of follow-on activities after the projects are completed.

Requested Year Program (FY 1987)

In FY 1987 Economic Support Funds of $20.0 million and PL 480 Title I resources of $10.0 million are requested. A.I.D. will continue the current major focus on balance of payments support. The program will assist Zambia's economic recovery and policy reform efforts, through $15.0 million Commodity Import Program grant and $10.0 million for P.L. 480 Title I. It also will support GRZ development objectives through the ongoing Human and Institutional Resource Development Project (611-0206)($1.0 million), as well as through two new projects. These projects, Agricultural Training, Planning and Institutional Development II (611-0207) ($2.0 million) and Agricultural Development Research and Extension II (611-0208) ($2.0 million) will be second phases of two currently on-going projects.

MISSION DIRECTOR: John A. Patterson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS*
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZAMBIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM		G	611-K601	77	87	15,000	30,000	15,000	12,014	---	2,986	15,000	10,000
COMMODITY IMPORT PROGRAM		G	611-K602	85	85	10,000	10,000	10,000	---	---	7,000	---	3,000
MULTI-CHANNEL AG MKTNG-EMRP		G	611-K603	85	95	25,000	25,000	25,000	---	---	13,000	---	12,000
AUCTION SUPPORT PROGRAM		G	611-K604	86	96	15,000	15,000	---	---	15,000	12,000	---	3,000
COMMODITY IMPORT PROGRAM		L	611-0070	77	77	134,975	134,975	134,975	133,834	---	1,141	---	---
AG TRAINING/PLANNIN/INSTITUTION DEV		G	611-0075	80	85	9,755	6,785	6,785	3,543	---	2,000	---	1,242
AGRICULTURE DEV RESEARCH AND EXTENSION		G	611-0201	80	84	12,515	12,515	12,515	8,515	---	2,000	---	2,000
CHAMA AREA DEVELOPMENT (PVO)		G	611-0204	81	87	1,167	1,167	1,167	903	---	264	---	---
WESTERN PROVINCE SMALL FARMER PROD. (PVO		G	611-0205	83	83	564	483	483	156	---	327	---	---
HUMAN AND INSTITUTIONAL RESOURCES DEV.		G	611-0206	84	89	13,028	13,028	3,393	100	---	1,500	1,000	2,000
AGRI. TRNG. PLNG/INSTITUTIONAL DEV II	*	G	611-0207	87	92	---	12,245	---	---	---	---	2,000	600
AGRI. DEV. RESEARCH & EXTENSION II	*	G	611-0208	87	90	---	11,485	---	---	---	---	2,000	450
TOTAL FOR ACCOUNT						237,004	276,693	211,315	156,215	15,000	42,718	20,000	34,292
GRANTS						102,029	141,718	76,340	22,381	15,000	41,677	20,000	34,292
LOANS						134,975	134,975	134,975	133,834	---	1,141	---	---
TOTAL FOR COUNTRY						237,004	276,693	211,315	156,215	15,000	42,718	20,000	34,292
GRANTS						102,029	141,718	76,340	22,381	15,000	41,677	20,000	34,292
LOANS						134,975	134,975	134,975	133,834	---	1,141	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: ZAMBIA

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Training, Planning and Institutional Development II (ZATPID)	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 2,000		Life of Project Funding 12,245
Number 611-0207 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1992	Estimated Completion Date of Project FY 1993

Purpose: To assist the Government of the Republic of Zambia (GRZ) to establish an effective policy-making and implementation process in the agriculture sector.

Project Description: Two main factors account for the unsatisfactory performance of the agriculture sector: inappropriate macroeconomic and agricultural policies and inadequate implementation of agricultural programs and projects.

The inappropriate policies are largely the result of an inadequate policy-making process. The present process suffers from: (a) the insufficiency and unreliability of the data needed for the analysis of agricultural and related macroeconomic problems; (b) inadequate data processing capacity and capabilities; (c) inadequate institutional capability to carry out needed analyses and formulate alternate policies; and (d) inadquate communication and cooperation among the GRZ entities and GRZ policy-makers involved.

ZATPID II will address these constraints through the collaborative problem-solving approach developed during ZATPID I (611-0075). The key elements of this approach are the analysis and studies of subsectors and problem areas that are carried out by the GRZ. The project will provide assistance to train professionals in relevant disciplines through formal education and the development of operational skills through on-the-job experience.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. strategy for Zambia is to improve Zambia's institutional capacity to generate and process reliable data, and to analyze development problems and the implications of alternate policy decisions. The ZATPID project has been the central focus of A.I.D. efforts to improve economic policy-making capacity.

Host Country and Other Donors: The World Bank recently approved a $65 million agriculture rehabilitation project which supports a series of major policy reforms. While the World Bank project itself will finance some offshore technical assistance to help the GRZ conduct these studies, much of the analysis is to be done by the Planning Division of the Ministry of Agriculture and Water Development (MAWD) and the Ministry of Finance and National Planning. The ZATPID project will support this effort. Canada has been supporting policy and planning activities of MAWD with technical assistance and computer hardware. The Swedish International Development Agency and Food and Agriculture Organization have also been involved in a modest way.

Beneficiaries: Officers of participating institutions will receive training and technical advice through the project. The ultimate beneficiaries, however, will be the 60,000-125,000 emergent farm families and the 460,000-600,000 subsistence farm families who stand to gain increasing per capital food production and incomes.

Major Outputs: Trained Zambians and upgraded capabilities of the GRZ's Ministries of Agriculture and Development Planning agriculture production.

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance	6,500
Training (U.S. & In-Country)	3,300
Commodities	1,700
Other Costs	745
Total	12,245

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,	—	—	—
Estimated Fiscal Year	—	—	
Estimated Through September 30,	—	—	—
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,000	10,245	12,245

Principal Contractors or Agencies

To be selected

AID 370-7 (11-85)

PROGRAM: ZAMBIA

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Development: Research and Extension II	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 2,000 Life of Project Funding 15,485
Number 611-0208 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1990 Estimated Completion Date of Project FY 1992

Purpose: To help the Government of the Republic of Zambia (GRZ) strengthen the agricultural reseach capacity of the Ministry of Agriculture and Water Development (MAWD) and to increase the effectiveness of the extension service in transferring relevant agricultural technology, with special emphasis on small farmers.

Project Description: The GRZ places a high priority on self-sufficiency in agricultural commodities, including maize, sunflower, soybeans and groundnuts. Under the Agricultural Development Research and Extension Project I (611-0201), A.I.D.'s assistance provided plant breeders, an agronomist, a research/ liaison officer and an agricultural economist to work with the adaptive research planning team (ARPT) at the Ministry of Agriculture and Water Development.

The ARPT bridges the gap between research and extension, and help identify on-farm production problems experienced by small scale farmers that need to be addressed by the multi-system commodity research teams. During Phase I, the focus was initially on commodity research and identification of on-farm problems. As extendable research results became available, increased efforts have been placed on extension activities. Phase II of this project will continue building upon what has been learned in Phase I. Technical assistance will be provided and participants will be trained in appropriate subjects as before. The priorities of Phase II are:

- improved breeding, research, screening, and testing of maize, sunflower, and soybean varieties for high productivity, disease and insect resistance.
- stronger linkages between researchers, extension agents, and small scale farmers.
- increased extension capabilities and farmer receptivity which will result in an overall increase in food crop yields.
- strengthened and improved research and extension management systems, e.g., budgeting, reporting, monitoring, organization, and planning.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s assistance strategy is directed at supporting the agricultural sector, where Zambia's economic future lies. This project can help increase production significantly by getting relevant and timely agricultural information distributed to farmers.

Host Country and Other Donors: The project will be implemented through MAWD and will be complementary to other agricultural programs supported by the World Bank, the Food and Agriculture Organization, and several bilateral aid organizations.

Beneficiaries: The ultimate beneficiaries will be the estimated 460,000-600,000 subsistence farm families and 60,000-125,000 somewhat larger and better equipped emergent farm families.

Major Outputs:	All Years
Improved agricultural production	X
Improved living standards for the rural population	X
General improvement of the country's economy	X

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance	7,000
Participant Training	5,400
Commodities	2,000
Other Costs	1,085
Total	15,485

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30	–	–	–
Estimated Fiscal Year	–	–	–
Estimated Through September 30,	–	–	–
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,000	13,485	15,485

Principal Contractors or Agencies

To be selected

ZIMBABWE

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COUNTRY:  (613) ZIMBABWE                         FY 87 CP ECONOMIC AND SOCIAL DATA
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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)       8,678

PER CAPITA GNP... ...... (DOLLARS,1983)         740

ANNUAL PER CAPITA REAL GNP GROWTH RATE  (1965-83)  1.5%

ANNUAL RATE OF INFLATION (1973-83)  9.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION. (1968)   3.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 56.7  MALE 53.8  FEMALE 59.7
                    (1970)   TOTAL 53.9  MALE 50.0  FEMALE 57.9

ADULT LITERACY RATE  (1980)  TOTAL  69%  MALE  77%  FEMALE  61%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -2.8%

AGRICULTURAL PRODUCTION AS % OF GDP..... ......(1983)    11%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        99


MAJOR CROP(S)
  SUBSISTENCE: CORN ,SORGHUM ,SORGHUM            ARABLE LAND  YEAR
  CASH: COTTON ,SOYBEANS ,TOBACCO                       74%  (1984)
                                                         9%  (1984)
MAJOR AGRICULTURAL EXPORTS:(1984) TOBACCO ,COTTON ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ,

PROPORTION OF LABOR FORCE IN AGRICULTURE... ... (1981)    60%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1980)     1,291 (81)       1,642 (82)       2,022
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1980)     1,939 (81)       2,094 (82)       2,742
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1980)      -648 (81)        -452 (82)        -720
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 24.1% (81) 18.5% (82) 15.6%
  AS % OF GNP................. (1980)  8.9% (81)  6.2% (82)  6.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)   224 (83)   187 (84)   156
  EQUIVALENT TO  1.5 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1985)GOLD REEXPORTS ,TOBACCO         ,COTTON LINT

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   83  (1983)   65  (1984)   68
   AS % OF TOTAL EXPORTS (1981)    8% (1982)    7% (1983)    6%
MAJOR IMPORTS(1985)MACHINERY         PETROLEUM PRODS,WHEAT

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  149  (1983)  108  (1984)   70
   AS % OF TOTAL IMPORTS (1981)    9% (1982)   11% (1983)  11%
TRADE BALANCE($ MILLIONS, U.S.)(1981)    -84(82)   -157(83)    87

TRADING PARTNERS: SOUTH AFRICA ,UNITED KINGDOM ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    40.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983)   435
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)...   (1983)  37.6%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE.. (1970)   3.1% (1978)   2.0% (1985)  3.5%

POPULATION IN URBAN AREAS..............(1970)     17%   (1985)   27%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)             (1985)    48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1982)  22.0%

POPULATION (1985) IN AGE GROUP
                (0-14YRS) 52.4% (15-64YRS) 45.8% (65+ YRS)  1.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  77

PEOPLE PER PHYSICIAN.................. (1980)  5,900

MAJOR CAUSES OF
DISEASE (1974) MALARIA              ,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1982)    89%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  31%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY........  (1983)  TOTAL   149   MALE   154    FEMALE   145
SECONDARY.......  (1982)  TOTAL  21.6   MALE  17.4    FEMALE  12.2
POST SECONDARY   (1980)  TOTAL   0.2   MALE   0.3    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION..............(1983)     74.2%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ZIMBABWE

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	22.9	27.6	75.0	64.0	47.8	244.5	7.7	236.8
Loans	-	-	-	-	-	5.0	7.7	2.7-
Grants	22.9	27.6	75.0	64.0	47.8	239.5	-	239.5
a. A.I.D. and Predecessor Agencies	22.9	25.5	75.0	60.0	41.0	230.4	7.7	222.7
Loans	-	-	-	-	-	5.0	7.7	2.7-
Grants	22.9	25.5	75.0	60.0	41.0	225.4	-	225.4
(Economic Support Fund)	22.9	25.0	73.0	60.0	42.0	222.9		
b. Food for Peace (PL 480)	-	2.1	-	4.0	5.8	11.9	-	11.9
Loans	-	-	-	-	-	-	-	-
Grants	-	2.1	-	4.0	5.8	11.9	-	11.9
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	2.1	-	4.0	5.8	11.9	-	11.9
Emerg. Relief, Econ. Develop. & World Food Program	-	2.1	-	4.0	5.8	11.9	-	11.9
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	0.1	0.1	0.2	0.3	-	0.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	0.1	0.1	0.2	0.3	-	0.3
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing – FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	0.1	0.1	0.2	0.3	-	0.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	22.9	27.6	75.1	64.1	48.0	244.8	7.7	237.1
Loans	-	-	-	-	-	5.0	7.7	2.7-
Grants	22.9	27.6	75.1	64.1	48.0	239.8	-	239.8
Other U.S. Government Loans and Grants	-	23.3	5.1	-	-	28.4	6.1	22.3
a. Export-Import Bank Loans	-	23.3	5.1	-	-	28.4	6.1	22.3
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	267.6	117.5	73.4	716.1
IBRD	202.0	96.1	10.0	487.1
IFC	0.0	2.3	0.0	40.3
IDA	38.9	0.0	0.0	53.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	63.4	75.6
UNDP	2.4	4.1	0.0	13.8
OTHER-UN	4.3	0.0	0.0	10.4
EEC	20.0	15.0	0.0	35.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	7.0	56.0	113.0
United Kingdom	37.6	22.1	193.2
Germany,Fed. Rep.	23.0	34.1	89.1
Sweden	10.1	15.3	47.9
Netherlands	14.3	9.6	40.2
Other	50.4	47.3	147.6
Total	142.4	184.4	631.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1976-83
44.0	N.A.	57.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	30	-	30
Total	30	-	30

ZIMBABWE

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	---	---	---	---	---	---	---	---
Grants	28,000	---	---	---	---	---	28,000	---
Total	28,000	---	---	---	---	---	28,000	---
1986								
Loans	---	---	---	---	---	---	---	---
Grants	20,570	5,000	4,000	---	2,000	---	9,570	---
Total	20,570	5,000	4,000	---	2,000	---	9,570	---
1987								
Loans	---	---	---	---	---	---	---	---
Grants	21,000	5,000	4,000	---	1,000	---	11,000	---
Total	21,000	5,000	4,000	---	1,000	---	11,000	---

FY 1987
PROGRAM HIGHLIGHTS

-- Human Resources Sector Assistance supports policy reforms and institutional development in primary, secondary, technical and professional training programs ($7.9 million).

-- Agricultural Sector Assistance supports policy reforms to improve small farmer productivity ($5.0 million).

-- Assistance to the Zimbabwe National Family Planning Council expands programs aimed at increasing access to family planning services ($4.0 million).

-- CIP promotes the growth of investment and expansion of the private sector ($4.0 million).

ZIMBABWE

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	–	–	–
Grants	49,280	52,469	35,642
Total AID	49,280	52,469	35,642
P.L. 480 **			
Title I	8,000	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	1,581	–	–
Total P.L. 480	9,581	–	–
Total AID and P.L. 480	58,861	52,469	35,642

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	56,334	8,000	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	56,334	8,000	–	–	–	–
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	4,134	1,581	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	4,134	1,581	–	–	–	–
Total P.L. 480	60,468	9,581	–	–	–	–

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

ZIMBABWE

PERSONNEL DATA

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	11	13	13
PASA[b]	–	–	–
TOTAL	11	13	13

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	121	89	210	140	150	290	150	160	310
Regional[e]	1	–	1	7	–	7	7	–	7
TOTAL	122	89	211	147	150	297	157	160	317

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	6	41	47	5	47	52	5	52	57
Regional[e]	--	--	--	--	--	--	--	--	--
TOTAL	6	41	47	5	47	52	5	52	57

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

ZIMBABWE

Development Overview

Zimbabwe, a country of almost nine million people, has the largest, most diversified and sophisticated economy among the majority-ruled nations of sub-Saharan Africa. Gross Domestic Product was $6.2 billion in 1982 or $824 per capita. The cessation of drought, the bumper agricultural crop in 1985, and continued worldwide economic recovery could lead to real GDP growth of over 5% in 1985, after three consecutive years of decline.

Agriculture is important in both the traditional and modern sectors of the economy, providing the livelihood for 50% to 60% of the total population and accounting for 40 to 50% of export earnings. The nearly 4500 large scale commercial farms cover about 40% of the total area of Zimbabwe and 70% of the best quality land. They employ over 25% of those in wage employment and produce 90% by value of total marketable surplus, the balance being accounted for by the nearly 800,000 smallholder farmers.

Government of Zimbabwe (GOZ) policy is to reduce this dualism by increasing the productivity of the smallholder sector while maintaining an efficient and profitable commercial sector. Major advancements have been made in providing more equitable access to agricultural inputs and markets as well as in reducing disparities in health services, education and training. Such improvements can only be maintained, however, by continued growth in the economy.

If growth is to be sustained, more progress in policy reform is essential. Further devaluations and a relaxation of import controls would stimulate greater export production and more efficient import substitution. The GOZ must continue to reduce consumer subsidies. More stringent fiscal management controls are needed to reduce the budget deficit. Investment policy constraints must be addressed and more incentives provided for domestic as well as foreign investment.

The United States is the third largest of Zimbabwe's trading partners (after South Africa and the United Kingdom) with the volume of two-way trade increasing each year. Zimbabwe is a major producer of chromium, nickel, asbestos, and gold, all important to the industrial well being of the United States. American investment in Zimbabwe, especially in the strategic minerals sector, is significant. Furthermore, with an improved investment climate, opportunities for increased American investment are not insignificant.

United States Interests and Objectives

American policy in Zimbabwe seeks to promote the strengthening of a pluralistic and stable mixed economy. United States support is predicated upon Zimbabwe's pivotal geographic position in southern Africa, its extensive infrastructure and largely private productive capacity, its proven ability to produce food surpluses and a desire to strengthen its fragile multi-racial, socio-political structure, which could serve as an economic and social model for both black and white ruled neighboring states.

ZIMBABWE

The United States development objectives in Zimbabwe are: 1) to maintain and support growth in the productive structure and general infrastructure of the Zimbabwean economy 2) to encourage Zimbabwe to adopt an economic strategy which stimulates private sector growth and investment and 3) to assist Zimbabwe to become a strong economic force within the region. The A.I.D. program also seeks to reinforce the generally positive growth policies adopted to date and, where possible, encourage policy adjustment especially as related to the investment climate.

A.I.D. Development Strategy

Zimbabwe's considerable potential for sustained economic growth faces several interacting constraints which are generally structural, and largely inherited.

The lack of adequate employment opportunities coupled with surpluses of unskilled workers and shortages of skilled workers is one main constraint. The chronic shortage of foreign exchange and the reduced level of imported inputs lower capacity used in existing industries and discourage new investment, further constraining employment. Rural productivity is constrained by historically low levels of investment in marketing, distribution, extension, transportation infrastructure and technology in the poorer rural lands. The high population growth rate of about 3.5% inhibits efforts to improve per capita productivity, to increase modern sector wage employment, to provide greater access to productive land, and most importantly to sustain gains in health and education.

A.I.D. has developed an employment strategy designed to relax the constraints impeding investment, higher agricultural productivity and greater employment. It aims to increase both off-farm and on-farm income earning opportunities, to invest in human capital and to reduce over time the number of new entrants into the labor force. This employment strategy has three major components:

To increase employment in the modern sector of the economy through stimulating new investment and better use of underused industrial capacity; developing an adequate supply of qualified manpower; and collaborative studies to encourage economic policies more conducive to growth, private investment and labor absorption.

A.I.D. is supporting this element of the strategy through: a) continuation of some non-project assistance, principally the Commodity Import Program (CIP) and CIP elements of the agriculture and education sector programs; b) vocational education programs and higher level manpower training; c) policy dialogue to improve the general investment and employment climate; and d) a housing guarantee for improved housing for the growing urban labor force program which is based upon affordability and cost recovery and enhances the effective participation of private building societies.

To increase productivity and incomes of traditional smallholder farmers through the continuation of the agriculture sector assistance. This program provides foreign exchange for imports of agricultural equipment and raw materials needed by the commercial farmers. The local currency generations resulting from these imports are used to address seven specific constraints to smallholder productivity. These constraints include: agricultural research, extension credit, input supply and marketing, soil and water conservation and agricultural training.

Strengthen Zimbabwe family planning and demographic institutions in order to increase access to family planning services. A key facet of an effective employment strategy in Zimbabwe must include an eventual reduction in the number of new entrants into the labor force each year. This objective will be accomplished in three ways: 1) institutional support to strengthen and expand the Zimbabwe National Family Planning Council (ZNFPC); 2) assistance in contraceptive supply on a cost sharing basis, followed by possible private contraceptive packaging and/or manufacturing; and 3) assistance in defining, planning, and timing integration of family planning services into the country's primary health care delivery system.

A.I.D. Program (FYs 1985-1986)

Overall Program Levels. During FY 1985, A.I.D. obligated $28.0 million in direct bilateral assistance. During FY 1986 $20.6 million will be provided to continue the FY 1986 core activities supporting the employment strategy: The Basic Education and Skills Training Sector Assistance Program (613-0208); Zimbabwe Agricultural Sector Assistance Program (613-0209); Zimbabwe Manpower Development Project II (613-0215); and, Zimbabwe Family Planning Project, (formerly the Child Spacing and Fertility Association Project (613-0219). During FY 1985 local currency generations from previous CIPs continued to promote a growth of investment and support of the private modern sector, and provide local currency resources for Government of Zimbabwe development activities. Over 80% of the funds were channelled through private sector importers, and by the end of September 1985 all funds had been allocated--most for industrial raw materials.

A $4.439 million CIP is planned for FY 1986 but both the Agriculture and Human Resources Sector Programs described below include CIP components which serve the same investment and employment objectives. The FY 1986 CIP evaluation will examine in greater detail the investment stimulation and employment impact of the program.

Agriculture and Rural Development

The $45.0 million, five-year Zimbabwe Agricultural Sector Assistance Program (ZASA) 613-0209, which is aimed at alleviating the key constraints to smallholder farm productivity, was fully funded within the ESF account by FY 1985. The $30.0 million commodity import component provides foreign exchange to import United States equipment and capital items needed by commercial farmers and agricultural industries. The entire $30.0 million has been allocated and $22.0 million utilized. Over $12.6 million equivalent in local currency generations have been allocated, with the remainder to be allocated during FY 1986.

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An evaluation of ZASA conducted in June 1985 noted the progress in Zimbabwe's agricultural economy and the strong role played by commercial agricultural firms in providing agricultural inputs and services. It also noted the increased level of market participation by small holders. This subsector has registered large gains in food grain production and record cash crops such as cotton. A major recommendation of the evaluation was continuation of the ZASA program. Early in FY 1986 A.I.D. will amend ZASA to add over a three year period an additional $17.0 million for the CIP element to help ease the continuing foreign exchange constraint faced by agricultural manufacturing firms and commercial farms. Local currency generations will continue to provide budgetary support to the GOZ, targeted to reinforce the already impressive gains made by Zimbabwe's smallholders.

Human Resources and Institutional Development

The Basic Education and Skills Training Sector Assistance Program (BEST) 613-0208, provides financial, technical and training resources to the Ministries of Education and labor, Manpower Planning and Social Welfare to address five major problems: insufficient numbers of trained instructors, inappropriate instructional curricula; inefficient and inequitable spatial distribution of instructional facilities and staff; insufficient planning and administrative capacity; and limited financial resources. A major objective of this program is to develop, design and implement a more cost-effective system of formal education and technical and vocational training. BEST provides $27.6 million for commodity imports, and $16.4 million for technical assistance and training. The program will be fully obligated in FY 1986. Also in FY 1986 a comprehensive evaluation of the BEST program will be undertaken. The purpose of the evaluation will be to examine in depth the progress, impact and sustainability of project accomplishments and provide guidelines for the planned FY 1987 amendment to the BEST program.

The Zimbabwe Manpower Development Project (ZIMMAN) 613-0215, was fully funded in FY 1985. By October 1985 this project had financed 330 person-years of degree training and 22 person-years of non-degree training mostly in the United States. Based on the recommendation of the mid-term project evaluation conducted in May 1984 the balance of its uncommitted resources were concentrated on strengthening the institutional capacities of the University of Zimbabwe, the various technical colleges, and public and private sector training institutions which provide inservice training for the Zimbabwean civil service. In FY 1986, A.I.D. plans to launch a $12.0 million Phase II of the ZIMMAN Project. Phase II will continue to emphasize the training of instructional staff for the University of Zimbabwe, the technical colleges, and provincial and national public sector training facilities in such fields as agriculture, engineering, the health sciences, management/administration, and education. Institutional development is a key objective of the ZIMMAN program. While training of public sector employees will continue to play an important role in Phase II, A.I.D. support will increase private sector training.

ZIMBABWE

Population Planning

During FY 1985 A.I.D. designed an amendment to the Child Spacing and Fertility Project 613-0219, now the Zimbabwe Family Planning Project. The amended project continues A.I.D. assistance to strengthen the Zimbabwe National Family Planning Council (ZNFPC). The project design was revised based on implementation experience and recommendations of the FY 1984 evaluation. Important among the revisions are greater involvement of the private sector, including non-governmental organizations, in the project and the provision of contraceptives. The amendment adds an additional $12.0 million to the project, bringing total life-of-project to $18.542 million. Initial funding will be provided in FY 1986 from the Population Planning Account.

A demographic and health survey conducted in 1984 documented the success of the ZNFPC program. It found that Zimbabwe's contraceptive prevalence of 39% is the highest in sub-saharan Africa. Current statistics show that since the project began contraceptive users have increased five fold. The continuation of the project is central to A.I.D.'s strategic objective of increasing access to family planning services.

Food Aid

The cessation of drought during FY 1985 resulted in a bumper maize harvest for Zimbabwe. The wheat crop, however, is expected to fall short of requirements. The GOZ requested A.I.D. assistance in arranging PL 480 Title II triangular trade involving United States wheat for Zimbabwe maize which would be shipped to food deficit countries in the region. Efforts are underway to support this request.

Low Cost Housing

In FY 1985 A.I.D. continued to finance the development of improved housing for Zimbabwe's growing urban labor force. The $400 thousand Epworth Urban Upgrading Technical Assistance grant 613-0227, was obligated and negotations started for the corresponding $14 million Housing Guaranty Loan. The project will help meet the capital resource requirements for up-grading a sprawling community of over 30,000 inhabitants on the outskirts of Harare.

Requested Year Program (FY 1987)

In FY 1987 $21.0 million is requested. A.I.D. will continue to pursue an employment strategy through continuation of the five core elements of our portfolio:

Agriculture, Rural Development and Nutrition $5.0 million is requested for the Zimbabwe Agriculture Sector Assistance Support (ZASA) Project 613-0209. Foreign exchange made available under ZASA for commodity imports will assist in maintaining the productivity of the commercial agriculture sector. Local currency generations will address the constraints to increased productivity faced by small-holders.

ZIMBABWE

Population, Family Planning $4.0 million for the Zimbabwe Family Planning Project 613-0219, will continue the expansion of family planning services and commodities in the semi-urban and rural areas of Zimbabwe.

Economic Support Fund $3.9 million for the Basic Education and Skills Training Sector Assistance Program (BEST) Amendment 613-0208, will continue strengthening Zimbabwean institutions responsible for basic education and vocational skills training through technical assistance and participant training. BEST complements ZIMMAN and addresses A.I.D.'s objective of developing an adequate supply of trained manpower.

$3.0 million is requested for the Zimbabwe Manpower Development Project (ZIMMAN) 613-0215, to continue efforts to upgrade the capacity of local institutions to train high level manpower and to strengthen ties between private and public sector training institutions.

During FY 1986 A.I.D. will have completed design of the Zimbabwe Private Sector Housing Project 613-0228, consisting of a $10.0 million Housing Guaranty (HG) Loan through the Government of Zimbabwe to private financial institutions, supplemented by a $100,000 Technical Assistance Grant which is planned for FY 1987 obligation. The purpose of the project is to demonstrate the efficiency of participation by private financial institutions, builders and developers in the provision of low cost affordable housing. These programs, which provide the GOZ with much needed foreign exchange, have also demonstrated considerable employment generation potential. The Housing Guaranty funding provided under the Low Cost Shelter Program (613-0205) has helped to create demand for private building contractors, with more than 2200 builders now working on the project site.

MISSION DIRECTOR: Roy A. Stacy

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZIMBABWE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
ZIMBABWE AGRICULTURAL SECTOR ASSISTANCE		G	613-0209	82	90	---	17,000	---	---	5,000	3,000	5,000	5,000
TOTAL FOR ACCOUNT						---	17,000	---	---	5,000	3,000	5,000	5,000
GRANTS						---	17,000	---	---	5,000	3,000	5,000	5,000
LOANS						---	---	---	---	---	---	---	---
POPULATION PLANNING													
CHILD SPACING AND FERTILITY		G	613-0219	82	89	---	12,000	---	---	4,000	1,500	4,000	2,000
TOTAL FOR ACCOUNT						---	12,000	---	---	4,000	1,500	4,000	2,000
GRANTS						---	12,000	---	---	4,000	1,500	4,000	2,000
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
ZIMBABWE MANPOWER DEVELOPMENT II		G	613-0229	86	88	---	12,000	---	---	2,000	500	1,000	2,500
TOTAL FOR ACCOUNT						---	12,000	---	---	2,000	500	1,000	2,500
GRANTS						---	12,000	---	---	2,000	500	1,000	2,500
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM		G	613-K607	86	87	---	8,439	---	---	4,439	3,800	4,000	4,000
SCIENCE AND TECHNOLOGY COOPERATION		G	613-0204	80	80	750	750	750	680	---	70	---	---
LOW COST SHELTER		G	613-0205	82	82	750	750	750	492	---	258	---	---
BASIC EDUCATION & SKILLS TRAINING		G	613-0208	83	87	45,000	48,900	39,869	23,426	5,131	16,000	3,900	8,574
ZIMBABWE AGRICULTURAL SECTOR ASSISTANCE		G	613-0209	82	90	45,000	45,000	45,000	26,714	---	12,951	---	5,335
ZIMBABWE MANPOWER DEVELOPMENT		G	613-0215	82	85	13,139	13,139	13,139	2,965	---	3,000	---	5,000
COMMODITY IMPORT PROGRAM		G	613-0216	82	84	97,000	97,000	97,000	88,709	---	8,290	---	---

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*Refer to the planned project summary sheet

@Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ZIMBABWE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
CHILD SPACING AND FERTILITY		G	613-0219	82	89	8,542	6,542	6,542	2,498	---	3,000	---	1,053
EPWORTH LOW COST SHELTER		G	613-0227	85	85	400	400	400	---	---	100	---	150
PRIVATE SECTOR HOUSING	*	G	613-0228	87	87	---	100	---	---	---	---	100	30
ZIMBABWE MANPOWER DEVELOPMENT II		G	613-0229	86	88	---	3,000	---	---	---	---	3,000	2,000
TOTAL FOR ACCOUNT						210,581	224,020	203,450	145,484	9,570	47,469	11,000	26,142
GRANTS						210,581	224,020	203,450	145,484	9,570	47,469	11,000	26,142
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						210,581	265,020	203,450	145,484	20,570	52,469	21,000	35,642
GRANTS						210,581	265,020	203,450	145,484	20,570	52,469	21,000	35,642
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: ZIMBABWE

PLANNED PROGRAM SUMMARY SHEET

Title Private Sector Housing	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 100		Life of Project Funding 100
Number 613-HG-003 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1987
						Estimated Completion Date of Project FY 1990

Purpose: The purpose of the project is to support Zimbabwe's efforts to plan, finance, build, and manage lower income housing through increased utilization of private sector financial and managerial capacities.

Background: To meet the national goal of providing adequate housing to all urban area residents within 15 years, the average annual rate of production of houses must increase from 8,300 to 33,200 and the level of investment in shelter will have to increase from 2 to 5 percent of GDP. Only through a substantial increase in the participation of Zimbabwe's private financial and development sectors can these goals be approached.

Project Description: Housing guaranty funds will be borrowed by the Ministry of Finance, Economic Planning and Development and on-lent to the building societies. The building societies will provide mortgages on low cost units that have been constructed by private developers. Short term technical assistance will be provided from grant funds provided through this project in financial management, organization of the National Housing Corporation and secondary mortgage market operations. The project will demonstrate that low cost housing can be a profitable venture for the private sector and that the private sector's expertise can be an efficient vehicle for provision of low cost housing.

Relationship of Project to A.I.D. Country Strategy: The strategy of the Government of Zimbabwe (GOZ) is evolving from one in which the public sector dominated housing production and finance for lower income families to one which encourages a larger role for the private secto.. In augmenting private housing finance this project frees domestic public capital for investment in other productive sectors and it fosters employment and skill development in the construction trades, while providing additional foreign exchange on concessional terms. A key point in A.I.D.'s strategy for Zimbabwe is also the support of employment generation activities and the private sector, with which this project is entirely consistent.

Beneficiaries: The direct beneficiaries will be 4000-5000 below median income families whose housing will be financed through HG funds. The building societies are expected to supplement the HG financing with funds of their own, further increasing the number of beneficiaries.

Host Country and Other Donors: The GOZ contribution will be $5.0 million over the life of project to provide additional housing finance. Approximately $25,000 will be provided as an in-kind contribution to support the technical assistance. The World Bank is making available $43 million in the form of an IDA loan to finance acquisition and servicing of plots for low income families who will then construct low cost units financed by the building societies. The GOZ, using $2.25 million of A.I.D. CIP counterpart funds and a like amount from its own resources, is implementing a pilot program of serviced plots accompanied by loans for materials, with technical assistance from the UNDP.

Major Outputs:	All Years
Financially strengthened building societies	X
Establishment of National Housing Corporation	X
Establishment of a secondary mortgage market	X
Increased participation of building societies and private developers in the production of low cost housing	X

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance (7 PM)	100

U.S. FINANCING (In thousands of dollars)			
	Obligations	Expenditures	Unliquidated
Through September 30,	--	--	--
Estimated Fiscal Year	--	--	
Estimated Through September 30,	--	--	--
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	100	--	100

Principal Contractors or Agencies

TO BE SELECTED.

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SAHEL REGIONAL

SAHEL REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other a/
1985								
Loans	-	-	-	-	-	-	-	-
Grants	22,930	-	-	-	-	-	-	22,930
Total	22,930	-	-	-	-	-	-	22,930
1986								
Loans	-	-	-	-	-	-	-	-
Grants	19,038	-	-	-	-	-	-	19,038
Total	19,038	-	-	-	-	-	-	19,038
1987								
Loans	-	-	-	-	-	-	-	-
Grants	19,000	-	-	-	-	-	-	19,000
Total								

a/ Sahel Development Program

FY 1987
PROGRAM HIGHLIGHTS

- Strengthening human resources and institution building to improve the capacity to find solutions to Sahelian problems ($6.5 million)
- Improving family health and planning, including reducing the impact of onchocerciasis in several river basins ($2.6 million)
- Encouraging agricultural policy reforms and private enterprise ($3.9 million)
- Improving and strengthening the accounting systems in Sahelian institutions ($2.5 million)
- Planning, management and research ($2.4 million)

SAHEL REGIONAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	-	-
Grants	30,973	41,286	40,308
Total AID	30,973	41,286	40,308
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	( )	( )	( )
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	30,973	41,286	40,308

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I	-	-	-	-	-	-
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total	-	-	-	-	-	-
(of which Title III is)						
Title II 1/	-	-	-	-	-	-
Voluntary Agencies						
Government - to - Government						
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

SAHEL REGIONAL

Development Overview

Sahel Regional activities, integral to the overall Sahel Development Program, perform two essential functions: (1) they address development constraints common to the Sahel region, e.g., human resource development, financial management, policy analysis, oral rehydration, and family planning/health; and (2) they assist efforts to promote regional economic cooperation by strengthening selected Sahelian regional institutions, e.g., the Permanent Interstate Committee for Drought Control (CILSS) and the river basin development institutions (OMVS, OMVG, and NBA). They also support the primary Sahelian goal of regional food self-reliance by the year 2000, as set by the (CILSS) and the Club du Sahel (Club), by helping to develop:

-- Improved plans and programs for external resource flows;
-- Research and extension for data supportive of improved economic development policies and agricultural production;
-- Better cereals production, pricing and marketing policies;
-- River basins as a source of stable food production during drought years;
-- Improved health and nutrition; and
-- Increased capability to plan, implement and financially manage projects.

U. S. Interests and Objectives

U. S. interests in the Sahel are primarily humanitarian; however, we recognize the political and economic importance of the region. Potentially, the Sahel can attain a greater degree of self-reliance in food production and better withstand the effects of the periodic droughts which occur in the region. Assisting the Sahelians to achieve this objective will advance U. S. humanitarian and political interests. Opportunities also exist for U. S. private investment, e.g., uranium in Niger, phosphate in Burkina Faso, iron in Mauritania, and bauxite in Mali. Stronger Sahelian economies will help to improve regional political stability and enable Sahelians to resist Libyan threats.

A.I.D. Development Strategy

Consistent with the Sahel Development Strategy Statement, the Sahel Regional Program provides institutional support for:

-- planning and resource programming among regional entities, e.g., the CILSS, the Sahel Institute (INSAH), AGRHYMET (for Agrometeorological/Hydrological programs), and the Onchocerciasis Control Program (through the World Health Organization);

-- sub-regional organizations, the river basin planning authorities, including the OMVS for the Senegal River Basin, and the OMVG for the Gambia River Basin; and

-- host countries to undertake high priority activities, e.g., policy analysis, health and family planning, human resource development, and financial management.

In addition, the regional approach helps to avoid duplication and competition among specific regional interests, fosters intra-African cooperation, encourages donor coordination, and exerts influence on general Sahelian development.

A.I.D. Program (FYs 1985-1986)

Fiscal Year 1985

In FY 1985, $23 million was obligated for ongoing projects and to initiate three new projects: OMVS Planning and Policy Development, Sahel Population Initiatives, and Sahel Policy. In FY 1986, $19 million is planned to support one new project and twelve ongoing projects.

1. Regional Institutional Support:

A.I.D. provided an additional $0.7 million under the Sahel Regional Aid Coordination and Planning Project (625-0911) and in FY 1986 $1 million is planned to support the Club du Sahel Secretariat, which helps to coordinate donor activities in the Sahel, and CILSS, the planning organization of the Sahelian states.

2. River Basin Development:

A mid-term project evaluation in 1984 recommended the provision of additional technical assistance to develop the OMVG's planning capability. Accordingly, $2 million was obligated for the Gambia River Basin Project (625-0012) to enable the OMVG to conduct hydrology and public health studies needed for the formulation of a comprehensive river basin development plan.

An additional $1.8 million was added to fully fund the Manantali Resettlement Project (625-0955) in Mali. The project is helping to resettle 12,000 people who are being displaced by the construction of the Manantali dam on the Senegal River.

In FY 1985, an initial $2 million was obligated for the four year OMVS Planning and Policy Development Project (625-0621), and $1.5 million is planned for FY 1986. This project will finance studies needed to attract new investments in the river basin and to strengthen the capacity of the OMVS to plan and coordinate development of the Senegal River Basin. The goal is to stimulate increased food production in the basin.

SAHEL REGIONAL

The project will finance the preparation of a long-range master plan for the Upper Senegal River Valley; a primary health care master plan for the entire river basin; a study to upgrade and improve the use of the Fiscal Allocation and Management Model for development planning; and to provide training and technical support to the OMVS Planning Unit. The project will be implemented by, and funded through, the OMVS, which will collaborate with national agencies in its three member states, Senegal, Mauritania, and Mali.

3. Assistance to Host Countries in Priority Areas

-- Policy Analysis and Project Design: A.I.D. obligated $3.1 million under the Planning, Management and Research Project (625-0929), and $2.2 million is programmed for FY 1986, to enable A.I.D. Missions, A.I.D. Washington, and Sahel countries to conduct studies and evaluations, and to design projects in support of U.S. program objectives. To enhance Sahelian capability to implement policy reforms which promote economic growth, $1.6 million is programmed for FY 1986 to continue the Sahel Policy Project (625-0970) and fund technical assistance and training in support of data collection and collaborative analysis of major policy issues in the Sahelian countries.

-- Health/Population/Nutrition: To promote oral rehydration therapy (ORT) and health education in the Sahel, $1.3 million was obligated under the ORT/PRITECH (625-0963) project. This project assists the governments of Niger, Mali, Mauritania, Senegal, and The Gambia to treat diarrheal diseases, to reduce associated morbidity and mortality, and to improve the nutritional status of infants and children. To continue to strengthen family planning, $1 million is budgeted in FY 1986 for the Sahel Family Health Initiatives Project (625-0969). This project will fund bilateral and regional population and family planning activities in all Sahelian countries.

In addition, to continue support for an international effort to control and reduce the impact of onchocerciasis (river blindness) in the river basin area, $2.5 million has been budgeted in FY 1986 for Phase III of the Onchocerciasis Control Program (625-0966). Phase III (1986-1991) will expand the program to include southern and western extensions to the project zone. This expansion is intended to address vector fly breeding sites that threaten the long-term success of the program, and to enhance the prospects for successful devolution of responsibility for the maintenance of onchocerciasis control by the participating African countries. The World Bank and World Health Organization will, respectively, administer and implement the project.

-- Human Resources Development: A Manpower Development Project II evaluation team concluded that the training carried out under the project is proceeding well and that most participants can apply the skills and knowledge gained from their training. The use of long-term country training strategies and annual training plans has improved the planning aspects of participant training. The evaluation also concluded that third country and in-country training should be further encouraged, and that Missions are making significant gains in areas of special concern, e.g., private sector training, increased opportunities for women, and the introduction of better ways of teaching management skills at the local level. In FY 1985, $6 million was obligated to support long- and short-term training in host countries, third countries, and the U.S. for the purpose of alleviating critical development constraints in institutions that impact upon the success of A.I.D. projects in the Sahel. As an extension to the Sahel Manpower Development Project (625-0960), Sahel Human Resources Development III (625-0972) will begin in FY 1986. An initial obligation of $3.5 million will support Sahelian participants in long- and short-term training in host countries, third countries, and the U.S.

-- Health: For the Sahel PVO Project (625-0934) $1 million is planned for obligation in FY 1986 to support private voluntary organization proposals aimed at enhancing access to potable water.

-- Financial Management : A.I.D. obligated $1.6 million in FY 1985, and plans to obligate $0.3 million in FY 1986, to extend the Sahel Financial Management Project (625-0950) to June 30, 1986. This project, authorized in FY 1982, supports seven advisory/training teams in the Sahel: i.e., in Senegal, Mali, Niger, The Gambia, Chad, Mauritania and Burkina Faso. A midterm evaluation, which was completed in September 1984, concluded that the project was accomplishing its objective and recommended that it be extended. A follow on project, Phase II (625-0974), will start in FY 1986 with a proposed obligation of $2.8 million. The funds will provide long- and short-term in-country technical assistance, workshops, and seminars for host country employees, and develop an institutional capacity for improved fiscal management within host government institutions.

Requested Year Program (FY 1987)

In FY 1987, $19 million is requested: $16 million in incremental funding for continuing projects described earlier, $2.0 million for undertaking Phase III of the ongoing Sahel Water Data Project.

1. Regional Institutional Development

A recent evaluation of the Sahel Regional Aid Coordination Project (625-0911) recommended that the CILSS and its related agencies be reformed. This view was confirmed by an evaluation conducted by a CILSS/Club du Sahel consultant. His recommendations are now being implemented by the Sahelian states. Depending upon the success of this effort, A.I.D. proposes to initiate a Phase II project, and $1.0 million is programmed to support the CILSS, the Sahel Institute, and the Club du Sahel.

The Sahel Water Data and Management Project (625-0940), Phase II, is now being evaluated. If justified, A.I.D. will fund the last phase of this multidonor supported program. Phase III (1987-1990) will have a new project number (625-0973), and an initial obligation of $2.0 million will be made available in FY 1987. A.I.D.'s contribution to the Regional Meteorological Center in Niger will provide computers, telecommunications equipment, training and institutional support for the operation and logistical support of the equipment. The World Meteorological Organization of the United Nations is the executing agent of the project and the project grantee, while the United States National Oceanic and Atmospheric Administration (NOAA), under a PASA, provides A.I.D. financed technical assistance.

2. River Basin Development

To continue support for the OMVS Planning and Policy Development Project (625-0921), $2 million is requested.

3. Assistance to Host Countries in Priority Areas

-- Policy Analysis and Project Design: For the Sahel Policy Project (625-0970), a further $1.6 million is proposed, and for the Planning, Management and Research Project (625-0929), $2.4 million. To stimulate private enterprise, $0.250 million is budgeted for the Private Enterprise Project (625-0971). This project provides economic, business, and management consultant services to enable Sahelian countries to use their indigeneous private sectors to increase food production, income, and employment opportunities.

-- Health/Population/Nutrition: To continue support for the Onchocerciasis Control Project, Phase III (625-0972), $2.0 million is requested, and a third and final increment of $0.6 million is requested for the Sahel Population Initiatives (625-0969) project.

-- Human Resources Development: To continue the Sahel Human Resources Development III (625-0972), $3 million is requested.

-- Ecology: For the Sahel PVO Project (625-0934) $0.5 million is proposed.

-- Financial Management: For Phase II of the Sahel Regional Financial Management Project (625-0974), $2.5 million will be required.

SAHEL WEST AFRICA OFFICE DIRECTOR: Dennis Chandler

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SAHEL REG PROGRAM

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SELECTED DEVELOPMENT ACTIVITIES													
NIGER RIVER BASIN DEV AND PLANNING		G	625-0915	76	81	1,350	1,350	1,350	1,086	---	264	---	---
TOTAL FOR ACCOUNT						1,350	1,350	1,350	1,086	---	264	---	---
GRANTS						1,350	1,350	1,350	1,086	---	264	---	---
LOANS						---	---	---	---	---	---	---	---
SAHEL DEVELOPMENT PROGRAM													
GAMBIA RIVER BASIN DEVELOPMENT		G	625-0012	81	85	15,865	15,865	15,865	12,387	---	2,000	---	1,678
OMVS PLANNING AND POLICY DEVELOPMENT		G	625-0621	85	88	6,000	6,500	2,000	---	1,500	1,000	2,000	2,500
SAHEL REG AID COORDINATION AND PLANNING		G	625-0911	78	86	12,724	20,000	11,592	10,475	1,000	1,000	---	1,000
NIGER RIVER BASIN DEV AND PLANNING		G	625-0915	76	81	500	500	500	446	---	54	---	---
DEMOGRAPHIC DATA COLLECTION AND ANALYSIS		G	625-0927	80	84	6,932	6,932	6,932	4,315	---	1,500	---	1,117
REG. FOOD CROP PROTECTION-IPM		G	625-0928	78	85	37,800	37,800	34,159	22,415	---	6,000	---	3,879
PLANNING, MANAGEMENT AND RESEARCH		G	625-0929	78	C	---	---	31,481	27,460	2,229	2,500	2,380	2,400
PRIVATE VOLUNTARY ORGAN.-SAHEL (PVO)		G	625-0934	83	C	---	---	---	---	1,000	1,000	500	500
SAHEL MANPOWER DEVELOPMENT		G	625-0936	79	82	9,728	9,718	9,630	8,540	---	790	---	---
ACCELERATED IMPACT PROGRAMS (SAHEL)		G	625-0937	79	82	5,000	3,478	3,357	2,676	---	681	---	---
SAHEL WATER DATA AND MGNT. II		G	625-0940	82	86	7,000	7,700	7,000	4,259	700	2,000	---	1,441
ENVIRONMENTAL TRAINING AND MANAGEMENT		G	625-0942	80	83	310	310	310	210	---	100	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SAHEL REG PROGRAM

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
NIGER RIVER BASIN DEVELOPMENT II		G	625-0944	82	88	10,500	10,500	6,714	355	---	500	---	2,500
REGIONAL FINANCIAL MANAGEMENT		G	625-0950	82	86	7,785	7,785	7,476	4,863	309	2,500	---	422
MANANTALI RESETTLEMENT		G	625-0955	84	85	18,335	18,335	18,335	1,819	---	7,600	---	8,916
ENERGY INITIATIVES		G	625-0956	84	84	4,000	750	750	533	---	217	---	---
OMVS AGRIC RESEARCH		G	625-0957	84	84	1,057	1,057	1,057	11	---	500	---	400
OMVS GROUNDWATER MONITORING		G	625-0958	83	83	4,651	4,651	4,651	419	---	1,900	---	1,500
SAHEL MANPOWER DEVELOPMENT II		G	625-0960	83	85	12,650	12,650	12,836	3,213	---	3,500	---	3,500
ORAL REHYDRATION THERAPY-PRITECH		G	625-0963	84	85	2,300	2,300	2,300	359	---	700	---	1,000
ONCHOCERCIASIS CONTROL		G	625-0966	86	91	---	15,000	---	---	2,500	2,500	2,000	2,000
ORAL REHYDRATION CCCD		G	625-0967	84	84	527	527	527	272	---	150	---	105
SAHEL POPULATION INITIATIVES		G	625-0969	85	87	2,500	2,500	881	---	1,000	500	620	700
SAHEL POLICY PROJECT		G	625-0970	85	89	8,000	8,000	885	---	1,600	500	1,600	1,000
AFRICA PRIVATE ENTERPRISE FUND		G	625-0971	86	88	750	750	---	---	250	50	250	100
SAHEL HUMAN RESOURCES III		G	625-0972	86	90	---	20,000	---	---	3,500	200	3,500	1,000
SAHEL WATER DATA AND MGMT. III	*	G	625-0973	87	90	---	9,300	---	---	---	---	2,000	200
REGIONAL FINANCIAL MANAGEMENT II		G	625-0974	86	89	12,000	12,000	---	---	2,800	500	2,500	1,500
SAHEL REGIONAL INSITUTIONS	*	G	625-0975	87	92	---	5,000	---	---	---	---	1,000	500
HUMAN RIGHTS FUND FOR AFRICA		G	625-9801	79	C	---	---	284	147	50	80	50	50
SPECIAL SELF-HELP DEV-SAHEL		G	625-9901	80	C	---	---	3,944	3,544	600	500	600	600
TOTAL FOR ACCOUNT						186,914	239,908	183,466	111,018	19,038	41,022	19,000	40,308
GRANTS						186,914	239,908	183,466	111,018	19,038	41,022	19,000	40,308
LOANS						---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: SAHEL REG PROGRAM

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY					188,264	241,258	184,816	112,106	19,038	41,286	19,000	40,308
GRANTS					188,264	241,258	184,816	112,106	19,038	41,286	19,000	40,308
LOANS					---	---	---	---	---	---	---	---

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*Refer to the planned project summary sheet

G Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: Sahel Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Sahel Water Data Network and Management III	SDP			FY 1987 2,000		Life of Project Funding 9,300
Number 625-0973 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1990	Estimated Completion Date of Project FY 1991

Purpose: To assist regional and national meteorological, agricultural, hydrological and planning services to incorporate agrometeorological data into agricultural production technical packages for increasing agricultural and animal production.

Project Description and Background: Since 1976, A.I.D., in collaboration with other donors, has been reinforcing Sahelian agrometeorological, hydrological and meteorological institutions as part of a 15 year, three phase development program. During the first two phases of the program, the Sahel regional AGRHYMET institution was created and national meteorological services were reinforced. Training, facility construction, and equipment were provided. The objective of this program is the establishment of a regional data collection and analysis network to provide information to agriculture researchers and developers, government planners and decision makers for their use in promoting increased agricultural production.

A.I.D. has supplied data processing and telecommunication equipment, training in its operation and maintenance, and installed and provided operational support to the computer centers in the region.

Relationship of Project to A.I.D. Country Strategy: Adopting the strategy and plan of the CILSS/Club regional framework, the Regional Development Strategy Statement (RDSS) identifies food self-sufficiency as the "highest priority goal of the Sahelian States and of A.I.D.". Most of the individual Sahelian States have adopted this goal. The AGRHYMET program serves as an example of a West African development activity which has increased regional planning, coordination and cooperation among states, and is showing a potential for serving the practical needs of the region's agricultural producers. This project, thus, contributes in a specific way to the accomplishment of the RDSS.

Host Country and Other Donors: All member countries of CILSS value the AGRHYMET project highly because of its role in helping develop national meteorological and hydrological services and in providing information needed for crop production package design and yield forecasting. Other donors include Great Britain, France, The Netherlands, West Germany, Belguim, Switzerland, Italy, and the UNDP. Donor participation in various components of the project is increasing.

Beneficiaries: In the short term, national and regional meteorological and hydrological services will be strengthened; agriculture service data reporting systems will improve; and researchers and planners will benefit from information generated by AGRHYMET. In the mid to long term, agriculture producers in the Sahel will benefit from research based upon agrometeorological information.

Major Outputs	All Years
Personnel from Nal't Services Trained	30 p.y.
Computer Upgrading (Nat'l and Regional Centers)	
NOAA AVHRR Receiving Station Installed	1 Station
Nat'l Extension Systems Deliver Information to Field	8 Countries
Early Warning System Functioning	

A.I.D. Inputs	($ 000)
Technical Assistance	2,000
Equipment Purchase	3,000
Training	2,000
Operational Support	2,300
TOTAL	$ 9,300

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	To be determined.
Estimated Fiscal Year 1986	-	-	▨	
Estimated Through September 30, 1986	-	-		
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year	2,000	7,300	9,300	

PROGRAM: SAHEL REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Sahel Regional Institutions		Funding Source SDP	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,000	Life of Project Funding 5,000
Number 625-0975 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1992 · Estimated Completion Date of Project FY 1993

Purpose: To facilitate the operation of regional development institutions working in the Sahel.

Project Description and Background: This project is a modified second phase of the Regional Aid Coordination and Planning Project (625-0911), through which A.I.D. has been providing financial support to the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), the Institute of the Sahel (INSAH), the Club du Sahel, and the Food and Agriculture Organization of the United Nations (FAO). These institutions have played a critical role in analyzing Sahelian developmental problems, setting priorities for their resolution, and generating donor support for the resulting regional program strategy. They are beneficiaries of the project, as well as instruments for problem resolution. This new project will continue to support these types of activities, but in a manner modified to relate A.I.D. resources more closely to activities in keeping witth U.S.G. development priorities in the Sahel.

Among the principal project activities are: (a) funding for technical assistance to continue the institutional development process of the Sahelian organizations, including their capacities for coordination and planning; (b) training activities to help assure the availability of adequate management and technical skills; (c) commodity procurement in support of data acquisition and analyses; and (d) subject to A.I.D. concurrence program support for specific development interventions that these Sahelian institutions wish to pursue.

Relationship of the Project to A.I.D. Country Strategy: This project is supportive of A.I.D.'s strategy for the Sahel. It strengthens those primary institutions which plan and coordinate the use of donor assistance in the Sahel. It supports the creation of an indigenous capacity to deal with the enormous development problems of the Sahel. The project is also consistent with A.I.D.'s policy of increasing the involvement of other donors in the Sahel, as each of the Sahelian institutions is assisted by a number of donors.

Host Country and Other Donors: The eight Sahelian states contribute administrative and technical personnel to the CILSS. France, Canada, The Netherlands, Belgium, Denmark, Germany, the United Kingdom, Switzerland, the United Nations and the World Bank contribute technical assistance, administrative management, and operational costs to these organizations.

Beneficiaries: The ultimate beneficiaries will be the citizens of the member states of the CILSS, who will enjoy an improved quality of life as a result of the better planned, coordinated, and implemented economic development activities initiated by the assisted Sahelian institutions.

Major Outputs:	All Years
Integration of CILSS planns and programs with member states	X
Technical staff trained	100
Administrative Improvements at INSAH	X
Donor assistance to the Sahel sustained	X
Technical assistance to CILSS and INSAH	X

A.I.D. Financial Inputs:	($000)
Technical assistance	1,000
Commodities and Equipment	500
Training	500
Operational support	3,000
Total	5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,	-	-	-
Estimated Fiscal Year	-	-	
Estimated Through September 30,	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	1,000	4,000	5,000

Principal Contractors or Agencies

None

AID 370-7 (11-86)

SOUTHERN AFRICA
REGIONAL

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SOUTHERN AFRICA REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	--	--	--	--	--	--	--	--
Grants	21,924	--	--	--	3,000	--	18,924	--
Total	21,924	--	--	--	3,000	--	18,924	--
1986								
Loans	--	--	--	--	--	--	--	--
Grants	32,550	--	--	--	3,840	--	28,710	--
Total	32,550	--	--	--	3,840	--	28,710	--
1987								
Loans	--	--	--	--	--	--	--	--
Grants	33,000	--	--	--	3,000	--	30,000	--
Total	33,000	--	--	--	3,000	--	30,000	--

FY 1987
PROGRAM HIGHLIGHTS

-- Assist in the rehabilitation of the region's transport network with priority going to routes to the landlocked countries.
-- Support the development of an agricultural food crop research capability and planning for regional food security.
-- Support SADCC's planning and implementation capabilities.
-- Support development of improved regional management training capabilities.
-- Increase support for disadvantaged black South Africans through provision of scholarships, alternative and non-formal training programs, assistance to labor unions and expanded funding of human rights projects.

SOUTHERN AFRICA REGIONAL

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 85 **(Actual)**	FY 86 **(Estimated)**	FY 87 **(Proposed)**
Aid *			
Loans	1,193	4,614	1,200
Grants	11,606	24,305	25,651
Total AID	12,799	28,919	26,851
P.L. 480 **			
Title I	--	--	--
(of which Title III is)	(--)	(--)	(--)
Title II	--	--	--
Total P.L. 480	--	--	--
Total AID and P.L. 480	12,799	28,919	26,851

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 85 **(Actual)**		FY 86 **(Estimated)**		FY 87 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	--	--	--	--	--	--
Rice	--	--	--	--	--	--
Feedgrains	--	--	--	--	--	--
Vegoil	--	--	--	--	--	--
Non-food	--	--	--	--	--	--
Title I Total	--	--	--	--	--	--
(of which Title III is)	--	--	--	--	--	--
Title II 1/						
Voluntary Agencies	--	--	--	--	--	--
Government - to - Government	--	--	--	--	--	--
Title II Total	--	--	--	--	--	--
Total P.L. 480	--	--	--	--	--	--

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

SOUTHERN AFRICA REGIONAL

PERSONNEL DATA *

Category	FY 85 (Actual)	FY 86 (Estimated)	FY 87 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	2	5	5
PASA[b]	–	–	–
TOTAL	2	5	5

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]*

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	3	–	3	5	–	5	67	–	67
TOTAL	3	–	3	5	–	5	67	–	67

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]*

Category	FY 85 (Actual)			FY 86 (Estimated)			FY 87 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

*Does not include South Africa

SOUTHERN AFRICA REGIONAL

Development Overview

The developing countries in Southern Africa are beset by economic vulnerability, political instability and widespread poverty. Growth is thwarted by a variety of external and internal problems. Foreign currency reserves are severely strained by stagnating world prices for export commodities and high interest rates. Many economies are still struggling to recover from the three-year drought. To confront these problems, the nine majority-ruled countries* of Southern Africa continue to work together within the framework of the Southern Africa Development Coordination Conference (SADDC) to plan and implement programs of regional cooperation.

The recent intensification of internal conflict in South Africa has introduced a heightened sense of uncertainty for the region's future. Most countries have extensive economic relationships with South Africa and rely heavily on its transportation network for movement of their imports and exports. This dependency is particularly acute for six landlocked SADCC member states. The disruption of economic linkages and access to South Africa's transportation routes would result in a major economic crisis for the SADCC states--a crisis worse than that caused by the economic dislocations during the period of conflict leading to majority rule in Zimbabwe.

The region's economies are constrained in their developmental efforts by their weak competitive position in the world economy, a rise in the cost of imports, and stagnation in the price of their export minerals and agricultural products. Adding to financial losses are inefficiencies in the region's transportation systems and the lack of security in Mozambique. Development efforts are also frustrated by the pervasive effects of inadequate numbers of trained and experienced manpower.

One area of relief this year was the ending of the drought in most of Southern Africa, which for three years required massive grain imports to the region. In the 1984/85 crop year Zimbabwe, Zambia, and Malawi enjoyed good harvests. Nevertheless, agriculture production in Southern Africa, the principal source of employment and revenue in the region, has not achieved its potential, even in years with good rainfall, and in countries such as Mozambique the agricultural crisis remains severe.

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*Angola, Botswana, Lesotho, Malawi, Swaziland, Tanzania, Mozambique, Zambia and Zimbabwe

Faced with such common problems, the countries of the region are even more aware that solutions require greater regional cooperation in addition to national development efforts.

SADCC has been in existence for six years. It continues to seek practical solutions to development problems in a regional context. Its approach is purposefully slow and cautious in an effort to avoid the mistakes of other regional groupings. It is faced with increasing pressure to respond to near term problems, such as improving the capacity of unreliable and costly transportation systems, while maintaining its commitment to longer term objectives like agricultural research. SADCC's record and the continued commitment of its members to regional cooperation has been impressive albeit not without problems.

U.S. Interests and Objectives

United States interests in Southern Africa relate to the region's political dynamics, economic size and its strategic location. It is an area nearly as large as the continental United States, and with a population of approximately 85 million people. It is an important market as both a supplier of essential minerals and a buyer of products from developed countries. The region has the potential to become a strong contributor to the world economy as a result of its natural wealth in mineral and agricultural resources and its population size. Thus, its political orientation and stability are important to the United States Conflicts in Namibia, Angola, Mozambique and South Africa continue to feed political instability and retard economic growth.

The United States is addressing many of the problems in the region. It has taken an active role in negotiations toward the granting of independence to Namibia, as it did with Zimbabwe. The United States has imposed restrictions on South Africa to encourage its government to dismantle apartheid, and it has expanded programs of direct assistance to the majority population. In Mozambique the United States has undertaken a major new assistance program in recognition of that Government's economic reform efforts incorporating private sector development. We will continue to provide important support to SADCC and its regional development projects.

A.I.D. Development Strategy

A.I.D.'s regional program strategy is to strengthen transportation, agriculture, and manpower development programs in Southern Africa and provide institutional support to SADCC. These areas of concentration were selected because of their priority within Southern Africa and their complementarity to United States and other bilateral assistance efforts. Most of the regional projects will be undertaken in close cooperation with SADCC. A.I.D. also will finance other programs encompassing multi-country activities important for development in the region.

SOUTHERN AFRICA REGIONAL

In transportation, AID has financed the construction and rehabilitation of key components to the region's road, rail, and port systems. The Kafue-Chirundu portion of a main road artery between Zambia and Zimbabwe is being rehabilitated to international standards with United States aid. The rail link between Harare, Zimbabwe and the port of Beira, Mozambique is being improved under a project which finances emergency track repairs, locomotive rehabilitation, purchase of workshop and foundry equipment, and training. The regional program has also funded locomotive spare parts as part of a World Bank project to rehabilitate Zambia's rail system. Future assistance will be directed toward the newly opened 'Northern Corridor' route in Malawi connecting that country to the port of Dar Es Salaam via road and the Tazara railroad and improvement of shippers communications. Additional projects addressing region-wide problems of transportation efficiency will also be considered.

A.I.D.'s program in agriculture continues to have high priority. While significant progress has been made as demonstrated by the year's maize surplus in Malawi, Zambia and Zimbabwe, fundamental long term problems exist in the areas of research, development of improved technologies, marketing, policy reform and training of technical personnel.

Manpower shortages in SADCC countries have resulted in inefficient use of human and capital resources. A.I.D.'s strategy has been to assist SADCC to conduct studies identifying existing institutional capacities and future requirements, and to design responsive training programs. The A.I.D. program emphasizes training of general managers and agricultural professionals. This program complements A.I.D.'s bilateral programs in the region which also provide assistance in upgrading manpower in agriculture and management.

Unlike some other regional groupings, SADCC is not a supra-national structure, but a coordinating mechanism. Consequently, its executive secretariat is small and program management is decentralized. In an effort to assist SADCC improve program management, A.I.D. projects support SADCC's planning capabilities in the sectors of food security, soil and water conservation, fisheries and manpower development.

A.I.D. Program (FYs 1985-1986)

The Southern Africa Regional Program has supported activities in transportation, food security, agricultural research, and manpower development, as well as provided assistance to help improve SADCC's institutional capability. The program has funded grants for private voluntary organizations, self-help activities and human rights projects aimed at promoting a more just society in Southern Africa. While the majority of funds in the regional ESF budget are for SADCC-related activities, the budget also supports important direct assistance to South Africa's disadvantaged population.

SOUTHERN AFRICA REGIONAL

A. Southern Africa Regional Program

Transportation Under Project 690-0209, the rehabilitation of the Kafue-Chirundu Road is continuing. Completion of the project is anticipated during FY 1986. Another project due to be completed during FY 1986 is emergency repair to the Malawi portion of the Blantyre/Tete/Harare road (690-0234), which has become a key point of egress for Malawi following the closure of its traditional routes to ports in Mozambique. On site evaluations completed by A.I.D. engineers indicate that the Government of Malawi has effectively used A.I.D. resources to maintain this vital road link through Mozambique to Zimbabwe. In FY 1985, a grant agreement under the Regional Transportation Development project (690-0231) was signed with the Government of Mozambique to improve the Beira-Machipanda railway, a key transport route for the region. The project includes rehabilitation of steam and diesel locomotives, emergency repair of tracks, supply of spare parts, conversion of the steam workshop to diesel, and training. In addition, under the same project, a grant agreement was signed with the Government of Zambia to finance procurement of locomotive spare parts. The regional program in transportation will continue to concentrate on rehabilitation of the major transportation corridors benefitting landlocked countries in the interior, such as Malawi, Zambia and Zimbabwe through a new Southern Africa Regional Transportation Phase II project..

Agriculture The Agriculture and Livestock Development Project (690-0207) was evaluated in November, 1985 and, subsequently, extended to February 1987. The project will continue to assist in the technical analysis of SADCC production and food security policies. In FY 1985 a final obligation was made to International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in collaboration with a consortion of US universities for implementation of the SADCC Regional Sorghum and Pearl Millet Research and Training Project (690-0224). This project will establish a 20-25 year research program for sorghum and millet, two food crops which are particularly appropriate to the region's agro-climatic conditions. The project incorporates a ten-year program for training adequate numbers of scientists to carry out the research program at the regional and national levels.

An Agricultural Training Project (690-0232), which is scheduled to begin in FY 1986, will contribute to a multi-donor supported program for the expansion of university level agricultural training in the region. Under the project, scholarships and fellowships for undergraduate training will be provided in the region, and for graduate level training primarily outside the region. The project will also provide small institutional grants to faculties and departments of agriculture in the region to enhance the quality of local training and to establish greater capacity within the region to provide graduate training.

SOUTHERN AFRICA REGIONAL

In FY 1984 A.I.D. and other donors provided funding to establish the Southern African Center for Cooperation on Agriculture Research (SACCAR) in Botswana. SACCAR serves as a focal point for coordinating national and regional research programs, disseminating scientific information, facilitating the exchange of seed germplasm among member states and in general overseeing the development and progress of agricultural research in the region.

A grant to Malawi in FY 1985, through the SADDC Technical Support Project (690-0215), assists the Government of Malawi in the development of a SADCC regional fisheries program.

Manpower Development - Funds were obligated in FY 1985, under the SADCC Technical Support Project (690-0215) to provide institutional assistance to the SADCC Regional Training Council (RTC), enabling it to fulfill its planning and coordinating responsibilities to SADCC in the manpower sector. Funds are used to sponsor meetings, technical studies, conduct an inventory of regional training programs and staff support.

The Management Manpower Development Project (690-0208) will commence in FY 1986. Its purpose is to establish a Management Development Resource Center and to assist, through the provision of consultant services and limited financial support, the improvement of 45 existing management training institutions in the region.

Other Program Areas - The Planning, Management and Research Project (690-0206) was obligated in FY 1985 and funded studies leading to the development of A.I.D. programs in Southern Africa. Other activities include human rights, special self-help projects and private enterprise development.

B. South Africa (Disadvantaged South Africans)

Because of the continuing political crisis in that country, the United States has increased its assistance to South Africa's disadvantaged majority population. The South Africa program is described for the first time this year in a separate section of the Congressional Presentation. In FYs 1985 and FY 1986, however, the majority of U.S. aid to South Africa is budgeted under the Southern Africa Regional Program. Future year requests for assistance to Disadvantaged South Africans will be presented entirely in the separate section on South Africa.

In FY 1986 $3,844,000 from DA and $11,925,000 from the ESF portion of the regional budget will finance expansion of academic scholarship programs in the United States and South Africa, increased funding for labor and human rights projects, and funds for self-help projects and project evaluation and design. A new project, Alternative and Non-formal Education (674-0302), will start in FY 1986 in direct response to the expanding activities of private voluntary groups in South Africa working outside the formal education system. These funds will be used to prepare secondary students for university entrance, and finance other non-formal training projects, including projects jointly undertaken with U.S. corporations and universities. This increased program activity in South Africa was directed by the President's Executive Order of September 1985.

SOUTHERN AFRICA REGIONAL

Requested Year Program (FY 1987)

Planned activities in FY 1987 require a total program level of $30.0 million in ESF and $3.0 million in DA funds. This level will support new or on going activities in the areas of transportation, agriculture and food security, manpower development, private enterprise development, self-help, human rights, and continued activities in the Republic of South Africa. The Southern Africa Regional component requires an increased ESF level of $18.0 million and the South Africa component will require $12.0 million in ESF and $3.0 million in DA funds.

A. Southern Africa Regional Program

Requirements in the transportation sector are $10.25 million. The funds will be used for continuation of the Regional Transportation Development-Phase II Project (690-0237). The project will finance the upgrading of Lake Malawi port operations and maintenance capacity. This project is part of a multi-donor program to provide Malawi with an alternate, efficient transport route connecting Malawi to the port of Dar es Salaam. The project finances upgrading of Zambia's railway system, and will also assist in the establishment of a region-wide shipper's communication system to improve the efficiency of cargo handling between ports and inland shipping points. FY 1987 funding requirements in the agriculture sector total $5.5 million for the Agricultural Training Project (690-0232). These funds will be used to continue institutional support for training agricultural professionals within the region.

The Planning, Management and Research Project (690-0206) is budgeted for $1,400,000 to support project design, analysis and study requirements. The Self-Help Project (690-9901) will need $500,000; the Human Rights Fund (690-9801) $100,000; and the African Private Enterprise Fund $250,000.

B. South Africa (Disadvantaged South Africans)

Requirements of $12.0 million in ESF and $3.0 million in DA will permit continued funding of high priority projects in South Africa in conformance with the President's Executive Order. Specifically, in FY 1987, we will require $5.725 million for the Training for Disadvantaged South Africans project (674-0213), and $5.5 million for the South African Bursaries project (674-0230). Other critical activities requiring funding are Labor Union Training for South Africans (674-0223) at $1.5 million; Human Rights-South Africa (674-9801) at $1.5 million; Special Self-Help project (674-9901) at $275,000; and Planning, Management and Research (674-0206) at $500,000. The balance of the FY 1987 South Africa program request, $10.0 million is described in the separate section of this presentation on the South Africa Program.

DIRECTOR, USAID/ZIMBABWE - Roy Stacy

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOUTHERN AFRICA REGIONAL

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OR FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH OBLIG-ATIONS	FY 85- EXPENDI-TURES	-ESTIMATED OBLIG-ATIONS	FY86- EXPENDI-TURES	PROPOSED OBLIG-ACTION	FY 87 EXPEN-TURES
EDUCATION AND HUMAN RESOURCES													
SOUTHERN AFRICA ACADEMIC AND SKILLS TRNG		G	690-0083	77	79	1,855	1,834	1,834	1,725	---	109	---	---
TRAINING OF DISADVANTAGED SOUTH AFRICANS		G	674-0213	82	89	22,000	22,000	12,050	6,547	3,840	2,500	3,000	2,500
TOTAL FOR ACCOUNT													
GRANTS						23,855	23,834	13,884	8,272	3,840	2,609	3,000	2,500
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
SOUTHERN PERIMETER ROAD		G	690-0076	78	32	8,000	8,000	8,000	7,929	---	71	---	---
PLANNING MGT & RESEARCH		G	690-0206	80	C	---	---	6,076	4,353	1,285	1,200	1,400	1,200
PLANNING MGT & RESEARCH		G	674-0206	80	C	---	---	7	5	775	775	500	500
AGRICULTURE LIVESTOCK DEVELOPMENT		G	690-0207	82	86	675	1,175	675	317	500	300	---	258
MANAGEMENT MANPOWER DEVELOPMENT		G	690-0208	86	89	---	8,000	---	---	3,200	250	---	750
TRANSPORT AND STORAGE		L	690-0209	82	85	17,300	17,249	17,249	8,356	---	4,614	---	1,200
TRAINING OF DISADVANTAGED SOUTH AFRICANS		G	674-0213	82	89	16,119	16,119	4,831	2,790	1,160	2,000	2,725	2,000
SADCC TECHNICAL SUPPORT		G	690-0215	84	88	4,300	4,300	2,672	44	300	300	---	300
ENTREPRENEURIAL TRNG/DISAD. SO.AFR.		G	674-0220	83	85	3,000	3,000	3,000	373	---	1,627	---	1,000
UNIVERSITY PREPARATION PROGRAM		G	674-0222	83	85	2,232	2,232	1,989	1,858	---	131	---	---
LABOR UNION TRAINING FOR DISADVANTAGED S.A.		G	674-0223	83	89	4,300	7,900	1,893	828	1,500	700	1,500	900
REGIONAL SORGHUM/MILLET RESEARCH		G	690-0224	83	85	14,800	14,800	14,800	2,087	---	2,500	---	2,500
REGIONAL AGRI. RESEARCH COORDINATION		G	690-0225	84	84	1,500	1,500	1,500	---	---	400	---	400

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SOUTHERN AFRICA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OR FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH OBLIG-ATIONS	FY 85-EXPENDI-TURES	-ESTIMATED OBLIG-ATIONS	FY86-EXPENDI-TURES	PROPOSED OBLIG-ACTION	FY 87 EXPEN-TURES
SOUTH AFRICA BURSARIES	G	674-0230	85	88	18,000	18,000	860	---	5,500	500	5,500	1,500
REGIONAL TRANSPORT DEVELOPMENT	G	690-0231	85	85	10,540	10,540	10,540	---	---	3,000	---	3,000
AGRICULTURAL TRAINING	G	690-0232	84	89	---	30,000	---	---	3,200	500	5,500	1,200
IMPROV BLANTYRE-TETE-HARARE ROAD	G	690-0234	84	84	500	500	500	428	---	72	---	---
AFRICA PRIVATE ENTERPRISE FUND	G	690-0235	85	90	2,000	2,000	125	15	200	50	250	50
REGIONAL TRANSPORT II	G	690-0237	86	87	---	17,750	---	---	7,500	3,000	10,250	3,000
ALTERNATIVE & NON-FORMAL EDUCATION	G	674-0302	86	89	---	1,215	---	---	1,215	300	---	500
HUMAN RIGHTS (S.A.)	G	674-9801			---	---	1,524	547	1,500	1,500	1,500	1,500
HUMAN RIGHTS (Reg.)	G	690-9801			---	---	279	134	100	245	100	100
SPECIAL SELF-HELP	G	674-9901			---	---	989	704	275	275	275	275
SPECIAL SELF-HELP	G	690-9901			---	---	2,205	1,820	500	500	500	500
TOTAL FOR ACCOUNT												
GRANTS					85,966	147,031	62,465	24,232	28,710	20,196	30,000	21,433
LOANS					17,300	17,249	17,249	8,356	---	4,614	---	1,200
SECURITY SUPPORTING ASSISTANCE												
SOUTHERN PERIMETER ROAD	G	690-0076	78	82	26,000	26,000	26,000	22,782	---	1,500	---	1,718
TOTAL FOR ACCOUNT												
GRANTS					26,000	26,000	26,000	22,782	---	1,500	---	1,718
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					153,121	214,114	119,598	63,642	32,550	28,919	33,000	26,851
GRANTS					135,821	196,865	102,349	55,286	32,550	24,302	33,000	25,651
LOANS					17,300	17,249	17,249	8,356	---	4,614	---	1,200

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

AFRICA REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985 Loans	-	-	-	-	-	-	-	-
Grants	60,938[a]	15,308	3,365	17,310	13,697	7,758	-	3,500[b]
Total	60,938	15,308	3,365	17,310	13,697	7,758	-	3,500
1986 Loans	-	-	-	-	-	-	-	-
Grants	127,442[d]	25,380	4,402	14,605	14,185	6,229	47,850 [d]	14,791[c]
Total	127,442	25,380	4,402	14,605	14,185	6,229	47,850	14,791
1987 Loans	-	-	-	-	-	-	-	-
Grants	145,390[d]	34,592	5,429	10,847	9,750	7,772	75,000[d]	2,000[e]
Total	145,390	34,592	5,429	10,847	9,750	7,772	75,000	2,000

a/ Includes $108 thousand EHRD funds and $126.8 thousand SDA funds reobligated under Deob/Reob Authority. Excludes $66.3 million African Famine Supplemental.

b/ FY 1985 Child Survival Fund ($3.5 million).

c/ FY 1986 includes $4.0 million Child Survival Fund and $10.791 million African Refugee Assistance. Excludes $68.7 million African Famine Supplemental.

d/ FY 1986 and FY 1987 include ESF funds being held in the regional account for the African Economic Policy Reform. Funds will be reallocated to bilateral programs when country selections are made.

e/ FY 1987 also includes $2.0 million Child Survival Fund.

FY 1987
PROGRAM HIGHLIGHTS

- Strengthen agricultural research to increase food production.
- Continue population and family planning efforts.
- Continue program to combat childhood communicable and diarrheal diseases.
- Expand academic and other training programs for personnel needed to staff African development agencies and institutions.
- Enhance the capability of African regional institutions to assist regional and country development efforts.
- Promote private enterprise development.

AFRICA REGIONAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	1,731	2,002	-
Grants	42,581	103,323	113,632
Total AID	44,312	105,325	113,632
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II [a]	94,014	55,777	2,637
Total P.L. 480	94,014	55,777	2,637
Total AID and P.L. 480	138,326	161,102	116,269

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 [a]
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II [1]						
Voluntary Agencies	268,044	81,388	213,997	53,047	20,670	2,637
Government - to - Government	58,217	12,626	12,240	2,730	-	-
Title II Total	326,261	94,014	226,237	55,777	20,670	2,637
Total P.L. 480	326,261	94,014	226,237	55,777	20,670	2,637

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

[a] Includes Title II programs for Angola, Benin, Ethiopia and Tanzania.

AFRICA REGIONAL

Development Overview

The Africa Regional Program serves 46 countries in sub-Saharan Africa with assistance for many common problems that require coordinated action to ensure rational use of limited financial and human resources. This Regional Program supports A.I.D. bilateral programs directly and through regional institutions, with projects that are broader in scope than bilateral efforts and sufficiently flexible to meet varying country and regional requirements.

The objectives of the Regional Program are:

- to identify regional problems that inhibit economic and technical cooperation and rational utilization of scarce resources;
- to strengthen, where appropriate, the institutional and resource capabilities of African regional organizations to deal with the identified problems;
- to facilitate regional and multi-donor linkages in areas where inter-country networks are essential, as in the case of agricultural research;
- to provide direct support to A.I.D. bilateral missions where commonality of problems and management economies of scale favor a regional umbrella approach, as in the case of general manpower training and childhood communicable diseases;
- to address problems which cross national boundaries and must be dealt with regionally.

In addition to projects aimed at these objectives, the Regional Program also includes general support activities: funds for program development and design; funds for helping African countries implement policy reforms; the Self-Help Development Fund which demonstrates U.S. interest in the welfare and self-help efforts of local communities; the Peace Corps Small Project Assistance Program which finances small self-help activities for immediate impact at the community level; the Private Enterprise Fund which stimulates private enterprise development; a Child Survival Fund program in FY 1985 in the drought-affected areas; African Strategic Studies which address program issues that have broad significance within the Africa region; and the Human Rights Fund which seeks to expand the political, economic and social rights of the urban and rural poor.

A.I.D. Development Strategy

In Agriculture, Rural Development and Nutrition, the Africa Bureau strategy stresses policy reform, research, dissemination of technology, and related activities, with emphasis on smallholders. Because most of the constraints to smallholder production are best addressed in a bilateral assistance context, the Africa Bureau's principal thrust in agriculture is through bilateral programs. The Regional Program provides essential support to the bilateral effort through its focus on strengthening of national and regional research institutions which have the potential to help increase smallholder productivity. This is done chiefly through coordination with other donors under the Cooperation for Development in Africa.

Agricultural production is also being assisted through regional projects which concentrate on rice and semi-arid food grains research and networking, and through pre-investment study grants to the African Development Bank. The regional remote sensing programs provide the agriculture sector, as well as other sectors dependent upon the natural resource base, a source of timely and accurate information analysis.

The Bureau's Population Planning strategy assists in developing, in close collaboration with host governments and private organizations, country-specific and regional programs for the phased introduction of voluntary family planning services and education programs. The Regional Program responds to a continued rise in awareness and acceptance by African governments of the need for family planning programs and to the need for regionally based interventions.

The objective of the Africa Bureau Health program is the removal of poor health as a significant barrier to socio-economic development and the reduction of mortality and morbidity. This objective is being addressed by helping African nations (a) increase their ability to provide preventive and curative services for selected communicable and debilitating diseases, (b) reduce health manpower constraints, and (c) seek solutions to unanswered questions through health services research. The Regional Program strategy strengthens national primary health care programs through cost-effective efforts which deal with problems common to more than one country and which introduce the skills required to assure their continuation by the host countries.

In the Education and Human Resources Development sector the Africa Bureau strategy identifies four areas of program emphasis: primary education, non-formal education, skills training, and the development of indigenous training institutions that serve more than one country.

Selected Development Activities: In the energy and natural resource management area, the emphasis is on selected problems: energy inefficiencies in the agricultural sector; high oil-import dependencies; increasing biomass depletion; and energy factors in the deteriorating quality of life. The Regional Program explores various issues of energy relationships to African agriculture, assesses human resource needs in the energy sector, fosters improvements in energy policy and planning by African governments, increases development and management of fuelwood resources, and supports the dissemination of technological improvements.

With respect to general concerns relating to economic growth and private enterprise, Bureau policy is to stimulate and expand the dialogue with

African states on macro-economic policies affecting their development, encourage them to consider alternatives to policies that are failing, and encourage and assist them to augment the role of the free market within their economies. The Regional Program supports this strategy through projects that promote regional economic cooperation and integration, stimulate small U.S. companies and entrepreneurs to invest in and trade with African countries, and encourage the integration of private enterprise elements into country development programs. The Regional Program also promotes local residents' participation in the development process by providing assistance to strengthen small-scale cooperative savings and credit institutions. The World Council of Credit Unions is participating in this effort.

A.I.D. Program (FYs 1985 - 1986)

I. Agriculture, Rural Development and Nutrition

The Strengthening African Agricultural Research (SAAR) project (698-0435), which received $3,472,000 in FY 1985 and is budgeted for $5,557,000 in FY 1986, operates within the context of the multi-donor CDA agricultural research initiative. SAAR, in collaboration with African regional and national research organizations and other CDA members, has completed long-term agricultural research plans for the Sahel and Southern Africa. Selected activities--such as agro-forestry research and potato improvement--responding to these plans, will be designed and implemented by A.I.D. and other donors, augmenting assistance currently being provided in this area such as training in agricultural research management and research on farming systems, crop insect-resistance, and bean improvement. This process provides excellent opportunities for policy dialogue among donors and recipient countries.

The West Africa Rice Research Development Association II (WARDA) project (698-0429), budgeted for $1,051,000 in FY 1985 and $2,230,000 in FY 1986, addresses practical, production-oriented research, development and technology transfer problems related to growing rice, one of West Africa's staple food crops. WARDA, a regional association of 16 West African countries, conducts research on rice, disseminates research results through on-farm trials, and produces "packages" of rice production technology suitable to the local farmer. WARDA has some significant accomplishments to its credit: It has: (1) developed over 50 improved varieties of rice and related technologies that have been successfully introduced into the production programs of member countries; (2) assisted a number of member countries to identify rice production problems amenable to solution through locally or donor-financed projects; and (3) trained over 1,000 member-country research and extension staff in research methods, production and technology transfer.

The Semi-Arid Food Grains Research and Development (SAFGRAD) project addresses food production problems in 26 countries in the drought-prone, semi-arid regions of Africa and concentrates on the generation and dissemination of improved technology for millet, sorghum, maize and cowpeas. A 1984 evaluation identified major accomplishments of SAFGRAD including development of drought- and pest-resistant varieties and important moisture conservation practices. SAFGRAD II (698-0452) is being developed in conjunction with other donors and in the context of a long-term master plan being charted by the Scientific, Technical and Research commission of the Organization of African Unity (OAU/STRC) which coordinates implementation of SAFGRAD. Program emphasis under SAFGRAD II will be on the networking of national research programs involved in research and application of improved technology for raising the above crops, along with short-term training and small grants to national scientists for regionally significant research. Technology developed, partly with SAFGRAD support, by two international agricultural research centers, IITA and ICRISAT, will be fed into the networks, and center personnel will assist in network coordination. In FY 1985 SAFGRAD I received $2,677,000; a final contribution of $323,000 is budgeted for FY 1986. SAFGRAD II will begin in FY 1986 with a proposed obligation of $3,353,000.

Several new projects started in FY 1985. The Africa Private Enterprise Fund project (698-0438), with initial funding of $931,000 from several accounts, provides economic, business and management consultants and other technical services to stimulate private enterprise development. The project has placed teams in Madagascar, Cameroon, Ghana, Botswana and other African countries to review investment climate factors and prepare selected feasibility studies. A.I.D. missions and embassies use the results in policy reform dialogue. In Cameroon, Zaire and Botswana teams have prepared business project profiles and country information for trade and investment missions to the United States and/or for OPIC investment missions to Africa. The Support to the CECAF Project (698-0454), funded in FY 1985 at $959,000, assists the FAO's Committee on Eastern Central Atlantic Fisheries to facilitate the collection, compilation and dissemination of data on fishery stocks and catch along the West African coast; policy dialogue aimed at improved management of marine resources at national and regional levels; and ultimately reduction of post-harvest loss and a strengthened private sector. A cooperative agreement with the National Council of Negro Women/International Division (NCNW/ID) (698-0461) will provide $800,000 in FY 1986 to strengthen and expand the PVO's capability to establish sustainable partnership arrangements between NCNW and women's organizations in Africa for the purpose of designing and implementing sound development activities.

Also funded under this account are a number of other continuing projects. To finance agriculturally-related training, the African Manpower Development project (AMDP) II (698-0433) received $1,512,000 in FY 1985 and is budgeted for $1,431,000 in FY 1986. The African Graduate Fellowship program (AFGRAD) III (698-0455) absorbed $1,050,000 in FY 1985 and is scheduled to receive $1,600,000 in FY 1986. (These projects are described below in the Education and Human Resources Development section.) The African Strategic Studies project (698-0507), started in FY 1984, is addressing key research and analytic issues in African development through grants and contracts to study these issues. Studies undertaken to date include policy options for African river basin development, strategies for implementing African small-scale irrigation interventions, and magnitudes of food gaps in key African countries. Under the African Development Bank II project (698-0434), $1.0 million was funded in FY 1985 and $900,000 is planned for FY 1986 to finance grants for the preparation of pre-investment studies by U.S. firms which may lead to African Development Bank investments in the agriculture/rural development sector. Technical assistance to the Bank is funded under the Selected Development Activities account. Support for the Peace Corps Small Project Assistance Program (698-0506) continued in FY 1985 at a level of $550,000 with $600,000 planned for FY 1986. Up to $40,000 will be provided for each recipient country where the Peace Corps has a program. The projects will be in such areas as food production, small-scale enterprises, and education and health activities. Projects will be identified and implemented by Peace Corps volunteers who are knowledgeable about local conditions and have established working relationships at the community level.

II. Population Planning

The Family Health Initiatives (FHI) project (698-0662) has been providing regional and country-specific assistance to family planning services and education programs since FY 1980. The project received $3.2 million in FY 1985 and is budgeted for $3,000,000 in FY 1986. An agreement with the Center for African Family Studies (CAFS), signed in FY 1985, provides support for the training of operational personnel in family planning program management, contraceptive technology, training of trainers, and communications. A grant made to Columbia University in FY 1985 provides for continuation of U.S.-based educational activities to increase awareness of the health, economic and social consequences of rapid population growth, and for more intensive in-country follow-up work with program alumni. In collaboration with the Science and Technology Bureau of A.I.D., FHI also made funds available to the International Federation for Family Life Promotion (IFFLP), a natural family planning organization, to support its efforts in preparation of materials and design of training programs for use in formal and non-formal educational institutions. A follow-on project, FHI II (698-0462), is planned to begin in FY 1987. This project will assist both African private and public agencies to provide family planning services, disseminate information, and carry out training, demographic studies, and applied research. Both U.S. and indigenous cooperating agencies will work with African governments and A.I.D. missions in Africa to plan and implement activities.

III. Health

Combatting Childhood Communicable Diseases (CCCD) (698-0421) seeks to reduce mortality and morbidity. It received $6,840,000 in FY 1985 and is budgeted for $11,750,000 in FY 1986. This project is part of a CDA multi-donor effort to strengthen the capacity of African governments to implement selected health care technologies. These include (1) immunization against diphtheria, whooping cough, tetanus, measles, polio and tuberculosis, (2) oral rehydration therapy (ORT) to treat dehydrating diarrhea, and (3) presumptive treatment of fever for malaria. Country-specific support to three new countries was initiated in FY 1985 for a new total of twelve. One or more additional country programs may be launched in FY 1986. Regional support to training, operations research, information systems and health education will continue and be expanded in FYs 1986 and 1987. Studies performed in four countries -- The Gambia, Malawi, Swaziland and Zaire -- have given decision-makers essential data on cost and cost-effectiveness of health-care delivery. Recommendations contained in a 1985 evaluation of CCCD have led to new cost-recovery mechanisms for health-care delivery in two countries and plans for the same in a third.

The Strengthening Health Delivery Systems (SHDS) project (698-0398), which received $3.1 million in FY 1985 and is budgeted for $500,000 in FY 1986, is continuing to build regional health institutional capability for providing short-term training in primary health care. Emphasis is placed on improving the utilization of trained manpower for low-cost primary health care systems at the national level.

The Onchocerciasis Control II project (698-0399) received $1,982,000 in FY 1985 for the conclusion of the second six-year phase of this long-term effort. Beginning in FY 1986, onward funding for onchocerciasis control is being provided through the Sahel Development Program.

Health Constraints to Rural Production (698-0408) is another project aimed at reducing morbidity and mortality in Africa. It received $3,853,000 in FY 1985 for clinical and field research into schistosomiasis.

In FY 1985 under the Child Survival Fund, a $3.5 million program addressed the special health problems of children in drought-affected areas, including support for starting or expanding activities in ORT, immunization, and infant/child nutrition where such services are currently not available or inadequate. U.S. and indigenous private voluntary agencies are being used as intermediaries in the program.

IV. Education and Human Resources Development

The emphasis of the Regional Program in this sector is on manpower and institutional development. The African Manpower Development II (AMDP) project (698-0433), which received $7,570,000 under this account in FY 1985 and is budgeted for $6,169,000 in FY 1986, each year supports training in the United States for about 300 new and 300 continuing students, and training in Africa for about 450 students. Trainees acquire technical and managerial skills directed towards the development of public and private institutions closely related to A.I.D. and host-country priority programs. Many of the returned participants assume important positions in their respective institutions, thus facilitating technological transfer and influencing policy. AMDP funding has also been used to support the African Graduate Fellowship Program (AFGRAD) II, which funds graduate training in

U.S. schools for qualified men and women to staff key African development institutions. In FY 1985 the follow-on to AFGRAD II was established as a separate project, AFGRAD III (698-0455). It received $350,000 under this account in FY 1985 and is budgeted for $2,128,000 in FY 1986. In addition to graduate fellowships, AFGRAD III includes B.A. and B.S. degree training in the United States for students from seven small countries in Africa which have very limited post-secondary national training capacities and, for various reasons, have difficulty in placing students for undergraduate training in other African countries. Approximately 700 new students, including 530 graduate and 50 post-graduate scholars, will receive A.I.D. support for training at U.S. universities through academic year 1989-90. The universities will contribute tuition-free scholarships for the graduate students. Support to Regional Organizations (SRO) II (698-0458) was initiated in FY 1985 with an obligation of $465,000, and is budgeted for $472,000 in FY 1986 to finance a grant to INADES, an international non-profit institute involved in agricultural training. SRO is also funded under the Selected Development Activities account. The African Labor Development II project (698-0442) received $4,221,000 in FY 1985 and is budgeted for $3,350,000 in FY 1986. It supports training programs, organizational development and related activities by the African-American Labor Center to promote the free labor movements in Africa.

V. Selected Development Activities

The Energy Initiatives for Africa project (698-0424) seeks to reinforce the capacity of African governments to establish energy policies and undertake planning for efficient energy utilization through technical and sectoral assessments. The project received $750,000 in FY 1985. The Support to Regional Organizations (SRO) I project (698-0413) received $1.0 million in FY 1985 and will receive an additional $699,000 in FY 1986 for a credit union development activity. A survey of key regional problems and regional organizations is planned under SRO II in FY 1986 to assist in future regional programming. The African Development Bank II project (698-0434), received $2,750,000 in FY 1985 and is budgeted for $1.0 million in FY 1986 for advisory services and technical and management training for Bank staff.

The Minority and Small Enterprise Trade and Investment project (698-0509) was undertaken in FY 1984 to help generate minority and small enterprise investment and trade by identifying potential joint venture projects in West Africa, matching African and U.S. investors, and assisting in locating financing sources. Eighteen potential ventures have been identified to date, including a fishing venture in Nigeria and a blue jeans manufacturing plant in the Ivory Coast. The Booker T. Washington Foundation, with A.I.D. and O.P.I.C. support, implements the project, acting as consultants and brokers between African and American parties.

Policy Environment. Economic Support Funds in the amount of $75.0 million were provided by Congress in FY 1985 for the special purpose of helping African countries implement policy reforms. A.I.D. is stressing the need for an improved national economic policy setting and has an active policy dialogue in most major recipient countries.

AFRICA REGIONAL

Requested Year Program (FY 1987)

A total of $34,592,000 is requested to fund ongoing projects in the Agriculture, Rural Development and Nutrition sector: Semi-Arid Food Grains Research and Development II (SAFGRAD) (698-0452), Strengthening African Agricultural Research (SAAR) (698-0435), AFGRAD III (698-0455), East Africa Remote Sensing (698-0456), Peace Corps Assistance Program (698-0506), Africa Private Enterprise Fund (698-0438), and African Strategic Studies (698-0507), National Council for Negro Women (698-0461) and Program Development and Support (698-0510).

The new West Africa Remote Sensing II project (698-0457) succeeds the current Regional Remote Sensing - West Africa project (698-0420) and is proposed for $1,575,000 in FY 1987 funds. A.I.D. will continue to support training for African technicians in remote sensing and survey techniques, production of images for users, and assistance to users in remote sensing technology. Another new project start in FY 1987, the African Manpower Development III project (698-0463), is proposed for $3,325,000 in FY 87 for agriculturally-related training.

The Population Planning sector funding request for FY 1987 is $5,429,000 for the ongoing Family Health Initiatives project II (698-0462), Program Development and Support (698-0510) and African Development Support (698-0464).

A budget of $10,847,000 is requested in the Health sector for FY 1987 for activities in the Combatting Childhood Communicable Disease (698-0421) and AMDP III (698-0463) projects.

A total of $9,750,000 in FY 1987 funds is requested for ongoing projects in the Education and Human Resources sector for the AMDP III (698-0463) and the AFGRAD III (698-0455) projects. Both projects also receive funding from the Agriculture, Rural Development and Nutrition account.

The African Labor Development II project (698-0422) will continue to provide support for the development of free trade unions in Africa.

A total of $7,772,000 is requested for ongoing Selected Development Activities for the African Development Bank II project (698-0434), the Program Development and Support project (698-0510), the Special Self-Help Development project (698-9901), and the Human Rights Fund (698-9801).

In addition, $75.0 million is requested in FY 1986 under the Economic Support Fund (698-0511) for continuing support of the policy reform program, a critical component of the U.S. assistance strategy, along with $2,000,000 requested for the Child Survival Fund.

AFRICA BUREAU OFFICE DIRECTOR, REGIONAL AFFAIRS:
Walter Sherwin, Acting

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFRICA REGIONAL CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
ENTENTE FOOD PRODUCTION		G	626-0203	76	81	8,180	8,180	8,180	7,946	---	234	---	---
ENTENTE FOOD PRODUCTION		L	626-0203	76	81	10,000	10,000	10,000	9,463	---	537	---	---
ENTENTE LIVESTOCK PRODUCTION II		G	626-0204	76	81	4,803	4,803	4,803	4,719	---	84	---	---
ENTENTE LIVESTOCK PRODUCTION II		L	626-0204	76	81	4,500	4,500	4,500	3,035	---	1,465	---	---
AFRICAN DEVELOPMENT BANK		G	698-0127	68	83	4,785	4,785	4,785	3,847	---	938	---	---
PROGRAM DEVELOPMENT AND SUPPORT	.	G	698-0135	75	83	---	---	26,595	26,534	---	---	---	---
SEMI-ARID FOOD GRAIN RESEARCH AND DEV		G	698-0393	77	86	22,169	22,169	21,846	19,367	323	2,802	---	---
IMPROVED RURAL TECHNOLOGY		G	698-0407	78	82	6,100	2,763	2,763	2,696	---	67	---	---
ACCELERATED IMPACT PROGRAM		G	698-0410	77	82	4,935	4,810	4,810	3,918	---	892	---	---
REGIONAL REMOTE SENSING(EASTERN AFRICA)		G	698-0414	77	84	4,094	4,094	4,094	3,869	---	225	---	---
REGIONAL REMOTE SENSING(WESTERN AFRICA)		G	698-0420	77	84	3,375	3,375	3,375	2,589	---	786	---	---
WEST AFRICA RICE DEVELOPMENT		G	698-0429	81	86	12,000	12,000	9,769	3,488	2,230	3,000	---	512
AFRICAN MANPOWER DEVELOPMENT II		G	698-0433	82	86	5,000	3,943	2,512	635	1,431	1,000	---	1,547
AFRICAN DEVELOPMENT BANK II		G	698-0434	85	90	7,300	7,300	1,000	---	900	1,000	1,000	1,500
STRENGTHENING AFRICAN AGRI. RESEARCH		G	698-0435	82	89	19,052	45,000	9,023	4,859	5,557	3,700	11,350	4,000
AFRICAN PRIVATE ENTERPRISE FUND		G	698-0438	85	90	2,250	2,250	600	262	790	300	667	300
FARMING SYSTEMS RESEARCH (CIMMYT)		G	698-0444	82	82	1,213	1,213	1,213	882	---	331	---	---
SEMI-ARID GRAIN RESEARCH DEVELOPMENT II		G	698-0452	86	91	---	15,000	---	---	3,353	2,500	4,000	1,750

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFRICA REGIONAL

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
CECAF		G	698-0434	85	85	960	959	959	---	---	523	---	436
AFRICAN GRADUATE FELLOWSHIP PROG III		G	698-0455	85	92	16,850	16,850	1,050	68	1,600	750	1,750	1,500
EAST AFRICA REMOTE SENSING II		G	698-0456	86	90	---	2,500	---	---	750	200	1,075	550
WEST AFRICA REMOTE SENSING II	*	G	698-0457	87	91	---	3,500	---	---	---	---	1,575	300
NATIONAL COUNCIL FOR NEGRO WOMEN		G	698-0461	86	87	---	1,500	---	---	500	505	700	430
AFRICAN MANPOWER DEVELOPMENT III	*	G	698-0463	87	92	---	10,000	---	---	---	---	3,325	700
AFRICAN DEVELOPMENT SUPPORT (TR)		G	698-0464	86	C	---	---	---	---	1,335	500	2,500	500
SMALL PROJECT ASSISTANCE/PEACE CORPS		G	698-0506	83	C	---	---	1,345	644	600	400	600	400
AFRICAN STRATEGIC STUDIES		G	698-0507	84	87	2,000	2,000	555	239	900	750	1,150	750
PROGRAM DEVELOPMENT SUPPORT II		G	698-0510	84	C	---	---	5,719	3,681	4,811	3,000	4,900	3,000
TOTAL FOR ACCOUNT						139,566	193,494	129,495	107,740	25,380	26,489	34,592	18,175
GRANTS						125,066	178,994	114,995	95,242	25,380	24,487	34,592	18,175
LOANS						14,500	14,500	14,500	12,498	---	2,002	---	---
POPULATION PLANNING													
FAMILY HEALTH INITIATIVES II	*	G	698-0462	87	91	---	15,000	---	---	---	---	4,229	500
AFRICAN DEVELOPMENT SUPPORT (TR)		G	698-0464	86	C	---	---	---	---	100	50	200	100
PROGRAM DEVELOPMENT SUPPORT II		G	698-0510	84	C	---	---	748	608	1,302	500	1,000	500
FAMILY HEALTH INITIATIVE		G	698-0662	80	86	22,000	22,000	17,301	10,265	3,000	5,036	---	5,000
TOTAL FOR ACCOUNT						22,000	37,000	18,049	10,873	4,402	5,586	5,429	6,100
GRANTS						22,000	37,000	18,049	10,873	4,402	5,586	5,429	6,100
LOANS						---	---	---	---	---	---	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFRICA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
HEALTH												
STRENGTHENING HEALTH DELIVERY SYSTEMS II	G	698-0398	77	88	27,176	27,176	26,676	22,505	500	4,171	---	500
ONCHOCERCIASIS CONTROL PHASE II	G	698-0399	74	85	23,100	23,098	23,098	18,916	---	4,182	---	---
HEALTH CONSTRAINTS TO RURAL PRODUCTION	G	698-0408	81	85	7,353	7,353	7,353	709	---	3,122	---	3,522
ACCELERATED IMPACT PROGRAM	G	698-0410	77	92	3,444	3,366	3,366	3,246	---	120	---	---
HEALTH INSTITUTIONS IMPROVEMENT 122(D)	G	698-0412	78	85	5,863	5,685	5,685	5,055	---	630	---	---
COMBATING CHILDHOOD COMMUN. DISEASES (CC	G	698-0421	79	90	45,000	80,000	29,428	13,725	11,750	10,000	10,047	10,000
AFRICAN MANPOWER DEVELOPMENT II	G	698-0433	86	86	---	400	---	---	400	200	---	200
AFRICAN DEVELOPMENT SUPPORT (TR)	G	698-0464	86	C	---	---	---	---	300	100	300	175
PROGRAM DEVELOPMENT SUPPORT II	G	698-0510	84	C	---	---	1,807	665	1,655	650	500	650
TOTAL FOR ACCOUNT					111,936	147,078	97,413	64,821	14,605	23,175	10,947	15,047
GRANTS					111,936	147,078	97,413	64,821	14,605	23,175	10,947	15,047
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												
AFRICAN CHILD SURVIVAL	G	698-0513	85	87	3,500	9,500	3,500	---	4,000	1,000	2,000	1,000
TOTAL FOR ACCOUNT					3,500	9,500	3,500	---	4,000	1,000	2,000	1,000
GRANTS					3,500	9,500	3,500	---	4,000	1,000	2,000	1,000
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
AFRICAN MANPOWER DEVELOPMENT	G	698-0384	76	81	23,397	22,254	22,254	21,950	---	304	---	---
REGIONAL RURAL DEVELOPMENT TRAINING	G	698-0405	78	86	7,200	7,200	6,850	6,750	350	450	---	---

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFRICA REGIONAL

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DEVELOPMENT TRAINING FOR PSA		G	698-0418	75	92	10,200	9,856	---	---	---	239	---	---
AFRICAN MANPOWER DEVELOPMENT II		G	698-0433	82	86	37,000	37,000	28,397	17,454	6,169	7,000	---	7,500
AFRICAN LABOR DEVELOPMENT II		G	698-0442	85	89	19,000	19,000	4,221	904	3,350	4,917	3,400	3,000
OPPORTUNITIIES INDUSTRIAL CENTERS INTERN		G	698-0453	83	83	13,500	5,000	5,000	3,330	---	1,670	---	---
AFRICAN GRADUATE FELLOWSHIP PROG III		G	698-0455	85	92	16,850	16,850	350	---	2,129	750	2,500	1,200
SUPPORT TO REGIONAL ORGANIZATIONS II		G	698-0458	85	88	1,500	1,500	465	50	472	650	---	237
AFRICAN MANPOWER DEVELOPMENT III	*	G	698-0463	87	92	---	30,000	---	---	---	---	2,950	500
AFRICAN DEVELOPMENT SUPPORT (TR)		G	698-0464	86	C	---	---	---	---	620	100	500	200
PROGRAM DEVELOPMENT SUPPORT II		G	698-0510	84	C	---	---	1,515	1,023	1,096	1,002	500	500
TOTAL FOR ACCOUNT						128,647	148,658	69,052	51,461	14,185	16,980	9,750	13,137
GRANTS						128,647	148,658	69,052	51,461	14,185	16,980	9,750	13,137
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
AFRICAN DEVELOPMENT BANK		G	698-0127	68	83	8,690	8,225	3,225	6,721	---	1,504	---	---
PROGRAM DEVELOPMENT AND SUPPORT		G	698-0135	75	83	6,659	6,575	6,575	6,502	---	73	---	---
ACCELERATED IMPACT PROGRAM		G	698-0410	77	82	4,907	4,907	4,085	4,013	---	71	---	---
SUPPORT TO REGIONAL ORGANIZATIONS		G	698-0413	79	86	10,193	10,190	9,431	6,589	629	2,592	---	1,000
ENERGY INITIATIVE FOR AFRICA		G	698-0426	82	85	13,500	7,786	5,936	3,739	---	2,000	---	2,648
ENVIRONMENTAL TRAINING FOR AFRICANS		G	698-0427	80	86	7,625	7,329	6,704	6,574	625	305	---	450
AFRICAN DEVELOPMENT BANK II		G	698-0434	85	90	7,700	7,700	2,750	---	1,000	2,000	3,472	3,000

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFRICA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AFRICAN PRIVATE ENTERPRISE FUND	G	698-0438	83	90	1,000	1,000	336	90	300	100	900	300
AFRICAN DEVELOPMENT SUPPORT (TR)	G	698-0464	86	C	---	---	---	---	---	---	200	75
AFRICAN STRATEGIC STUDIES	G	698-0507	84	87	1,000	1,648	---	---	200	750	250	200
MINORITY AND SMALL ENT. TRADE AND INVEST	G	698-0509	84	88	800	1,000	---	---	600	400	---	200
PROGRAM DEVELOPMENT SUPPORT II	G	698-0510	84	C	---	---	1,624	1,026	805	700	850	700
HUMAN RIGHTS FUND FOR AFRICA	G	698-9801	79	C	---	---	2,072	1,613	300	300	300	300
SPECIAL SELF-HELP DEVELOPMENT ACTIVITIES	G	698-9901	80	C	---	---	9,931	8,779	1,700	1,300	1,800	1,300
TOTAL FOR ACCOUNT					62,064	56,350	57,719	45,647	6,229	12,095	7,772	10,173
GRANTS					62,064	56,350	57,719	45,647	6,229	12,095	7,772	10,173
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
AFRICAN ECONOMIC POLICY REFORM PROGRAM	G	698-0511	85	C	---	500,000	---	---	47,850	20,000	75,000	50,000
TOTAL FOR ACCOUNT					---	500,000	---	---	47,850	20,000	75,000	50,000
GRANTS					---	500,000	---	---	47,850	20,000	75,000	50,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					467,713	1,092,080	375,228	280,542	116,651	105,325	145,390	113,632
GRANTS					453,213	1,077,580	360,728	268,044	116,651	103,323	145,390	113,632
LOANS					14,500	14,500	14,500	12,499	---	2,002	---	---

*Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: AFRICA REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title West African Remote Sensing II	Funding Source	AG, RD & N 1,575	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,575		Life of Project Funding 3,500
Number 698-0457 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 91	Estimated Completion Date of Project FY 92

Purpose: To enhance the viability of the West African Regional Remote Sensing Center (CRTO) by making institutional improvements focussed on staffing, marketing and improved financing.

Background: Since 1979, under project 698-0420, A.I.D. has assisted the West African Regional Remote Sensing Center (CRTO) located in Ougagadougou, Burkina Faso, to provide the countries of West Africa with the ability to use remote sensing technologies for development purposes. CRTO offers training programs in remote sensing and survey techniques, assistance with natural resource surveys and products, photographs and images. The CRTO serves 14 member countries of West Africa, non-member countries in the region, donors and investors.

An evaluation of the A.I.D. project in 1983 concluded that it had met many of its objectives, and produces high-quality technical work but has staffing, management and financial problems which should be addressed to promote institutional viability. By late 1984, the Center had trained 212 technicians and scientists from over 20 countries in introductory remote sensing courses. CRTO has provided user assistance in over 50 projects. The photo lab began work in 1981 and has the capability to produce a variety of standard LANDSAT products in photographic form.

Project Description: This project, coordinated with other donors, will continue to address the institutional development of CRTO including critical African technician staffing, management, improving marketing of products and services and rationalizing funding from CRTO's member states. It will provide technical assistance for the photo lab, for training clients and improving management and marketing/ promotion of the Center's services. Material and equipment for production of satellite imagery will also be provided. The new management of CRTO is expected to make effective use of project inputs and enhance CRTO's contribution to agricultural development, drought/famine early warning and improved management of natural resources in the region.

Relationship of Project to AID Regional Strategy: It is consistent with AID's strategy in support of agricultural development, drought early warning, and improved natural resource management.

Beneficiaries: Direct beneficiaries include the staff of CRTO and up to 100 participants annually who are technicians in planning, water development, mining, agriculture and forestry. Indirect beneficiaries include the people of the region who will benefit from improved planning in natural resource utilization.

Host Country and Other Donors: Member states contribute to the cost of CRTO and income derives from the sales of services and products. Nonetheless, as with most remote sensing facilities of this type, CRTO is not self-sufficient. France is a major contributor to the center and also provides technical assistance and financing for training programs. U.S. technical assistance will focus on photo lab, and management areas, equipment and supplies for the lab and support for training.

Major Outputs: Improved capacity and services provided by CRTO and greater demand and support from its regional membership resulting in a greater contribution to management of agricultural and natural resources in the area.

AID Financed Inputs:	3,500 (LOP)
Technical Assistance	1,500
Training and Training Support	1,000
Equipment and Supplies	1,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 85	-	-	-
Estimated Fiscal Year 86	-	-	▨
Estimated Through September 30, 86	-	-	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 87	1,575	1,925	3,500

Principal Contractors or Agencies

CRTO

AID 370-7 (11-85)

PROGRAM: AFRICA REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Family Health Initiatives II		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 4,229		Life of Project Funding 15,000
Number 698-0462 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population 4,229	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991	Estimated Completion Date of Project FY 1994

Purpose: To increase the consideration of demographic variables in social and economic development planning in sub-Saharan African countries as well as the adoption of appropriate and acceptable family planning practices that will enhance development gains in other regions.

Project Description: Africa as a whole has a higher overall population growth rate that any other major area of the world. This proposed project follows upon Family Health Initiatives (FHI)-I (698-0662). Through FY 1985 FHI-I funded 26 activities ($17,301,000) of which six were country-specific (Ghana, Nigeria, Rwanda, Sierra Leone, Somalia and Uganda) and two paved the way to longer-term, A.I.D.-mission-funded bilateral projects. The remaining 21 activities were undertaken by cooperating agencies in the areas of demographic data collection and analysis, provision of contraceptives, family planning education, and training in clinical services, contraceptive technology and program management. The growth of FHI-I gives evidence that African leaders are increasingly receptive to approaches aimed at reducing population growth rates through voluntary fertility control.

The new project will respond rapidly with (1) initial or single-purpose activities such as specialized training in the provision of services; long or short-term training in such areas as demography, management, operations research; and observation tours by African leaders to observe and discuss successful activities in other countries; and (2) support to locally approved private or governmental organizations to initiate activities while long-term bilateral projects are developed. The participation of appropriate U.S. and African private and public organizations will be encouraged.

Relationship of Project to A.I.D. Regional Strategy: The reduction of population growth rates is a necessary adjunct to achievement of the health and agricultural sector priorities which are prominent objectives in the regional strategy.

Host Country and Other Donors: This project will provide a coordination mechanism to expedite and expand activity funding and implementation of many organizations on a regional or centrally-funded basis and bilaterally to a number of African countries.

Beneficiaries: Immediate beneficiaries will be those women and children who, due to birth spacing, will lead healthier lives. In addition to allowing those women more opportunity to become involved in the social and economic development of their communities. This project also includes the potential for establishing commercial retail sales of contraceptives which would provide more economic benefit to individual entrepreneurs.

Major Outputs: Improved ability of African private and public agencies to provide family planning services, disseminate information and carry out training.

A.I.D. Financed Inputs:	**Life-of-Project ($000)**
Grants to both U.S. and indigenous agencies	$15,000

U. S. FINANCING (In thousands of dollars)			
	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	▨
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	4,229	10,771	15,000

Principal Contractors or Agencies

PROGRAM: AFRICA REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Africa Manpower Development III	Funding Source	AG, RD & N 3,325	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 6,175
Number 698-0463 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR 2,850	Sel. Act.

Life of Project Funding (10,000 ARDN) 40,000 (30,000 EHRD)	Initial Obligation FY 87	Estimated Final Obligation FY 92	Estimated Completion Date of Project FY 94

Purpose: Provide training programs in Africa and the United States for African development personnel with special concern for institutional staff development and the training of women.

Background: This project is a follow-on to the African Manpower Development Project, Phase I (AMDP-I-698-0384) and Phase II (AMDP II-698-0433) which were initiated in 1976 and 1982, respectively, as responses to the need for trained African personnel. During FY 76 to FY 81, the Agency obligated $22,953,000 under AMDP-I to train approximately 1,900 Africans from 37 countries. AMDP-II continued training for Africans in fields of study essential to development in their countries and which were not available in-country. During FY 82 to FY 85, the Agency obligated $26,933,000 under AMDP-II to train approximately 3,500 Africans from 41 countries (approximately 1,200 in the United States and 2,300 in Africa). (The above figures for AMDP II exclude AFGRAD III which has been established as a separate project.)

Project Description: AMDP-III will provide training in Africa and the United States for individuals responsible for planning and implementing development activities. African training institutions will be used to the extent possible. Minimal support will be provided for graduate-level degree training. Women participants will be strongly encouraged. Improved performance and productivity of government ministries, PVOs and private enterprises engaged in development will increase the potential for producing a multiplier effect which should assist African countries to become more self-sufficient in manpower development.

Relation of Project to A.I.D. Country Strategy: Training under this project complements training under bilateral A.I.D. programs. By being "regional" this project provides missions with: a mechanism to fill manpower needs in small countries which do not have bilateral A.I.D. programs; supplements to small missions where creation of bilateral training projects is less cost/beneficial, and increased flexibility for larger missions that lack manpower projects. Training under this project is closely associated with the objectives of country development strategy statements and participant training strategies. USAIDs and host countries cooperate in planning training programs, selecting participants, and following up on the assignment of returned trainees to development activities.

Host Country and Other Donors: Host countries pay the participants' salaries or family support during their training, ensure reemployment, provide training facilities and the costs of travel and student maintenance for in-country training programs, and fund international travel as appropriate.

Beneficiaries: The lack of skilled manpower in Africa impedes the successful implementation of African development programs. Although the initial beneficiaries are the participants, ultimately the project will benefit the populations in about 45 African countries.

Major Outputs:	All Years
African personnel with:	
Long-term U.S. training	375
Short-term U.S. training	1,350
Third-country training	400
In-country training	1,200

A.I.D.-Financed Inputs	Life-of-Project ($000)
Long-term U.S. training	$30,600
Short-term U.S. training	12,150
Third-Country training	2,400
In-country training	1,560
Studies and evaluations	290
TOTAL	$42,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,	–	–	–	
Estimated Fiscal Year	–	–	▨	
Estimated Through September 30,	–	–	–	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year	6,175	33,825	40,000	

AID 370-7 (11-85)

TERMINATING PROGRAM

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BENIN

CP 87

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
HEALTH													
BENIN RURAL WATER SUPPLY		G	680-0201	80	81	13,414	13,414	6,707	459	---	2,000	---	2,000
TOTAL FOR ACCOUNT						13,414	13,414	6,707	459	---	2,000	---	2,000
GRANTS						13,414	13,414	6,707	459	---	2,000	---	2,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						13,414	13,414	6,707	459	---	2,000	---	2,000
GRANTS						13,414	13,414	6,707	459	---	2,000	---	2,000
LOANS						---	---	---	---	---	---	---	---

---

*Refers to the planned project summary sheet

ᴳLevel of effort activity

FY of final obligation column. — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TANZANIA

CP 87

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL EDUCATION AND EXTENSION	G 621-0135	78	78	2,356	2,356	2,356	2,273	---	83	---	---
RESOURCES FOR VILLAGE PROD AND INCOME	G 621-0155	80	82	10,175	10,175	10,175	8,893	---	1,282	---	---
FARMING SYSTEMS RESEARCH	G 621-0156	82	92	3,000	3,000	3,000	1,442	---	1,558	---	---
TOTAL FOR ACCOUNT				15,531	15,531	15,531	12,608	---	2,923	---	---
GRANTS				15,531	15,531	15,531	12,608	---	2,923	---	---
LOANS				---	---	---	---	---	---	---	---
HEALTH											
SCHOOL HEALTH PROGRAM	G 621-0150	79	80	5,744	5,249	5,249	4,655	---	594	---	---
CONT ED FOR HEALTH WORKERS (PVO)	G 621-0154	80	80	2,206	2,206	2,206	1,734	---	472	---	---
ZANZIBAR MALARIA	L 621-0163	81	81	11,771	7,460	7,460	2,120	---	2,200	---	3,140
TOTAL FOR ACCOUNT				19,721	14,915	14,915	8,509	---	3,266	---	3,140
GRANTS				7,950	7,455	7,455	6,389	---	1,066	---	---
LOANS				11,771	7,460	7,460	2,120	---	2,200	---	3,140
EDUCATION AND HUMAN RESOURCES											
TRAINING FOR RURAL DEVELOPMENT I	G 621-0149	79	80	6,000	6,000	6,000	5,243	---	757	---	---
TRAINING FOR RURAL DEVELOPMENT II	G 621-0161	81	84	5,455	5,455	5,455	3,262	---	2,193	---	---
TOTAL FOR ACCOUNT				11,455	11,455	11,455	8,505	---	2,950	---	---
GRANTS				11,455	11,455	11,455	8,505	---	2,950	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				46,707	41,901	41,901	29,622	---	9,139	---	3,140
GRANTS				34,936	34,441	34,441	27,502	---	6,939	---	---
LOANS				11,771	7,460	7,460	2,120	---	2,200	---	3,140

---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA

Congressional Presentation
Fiscal Year 1987

ANNEX II

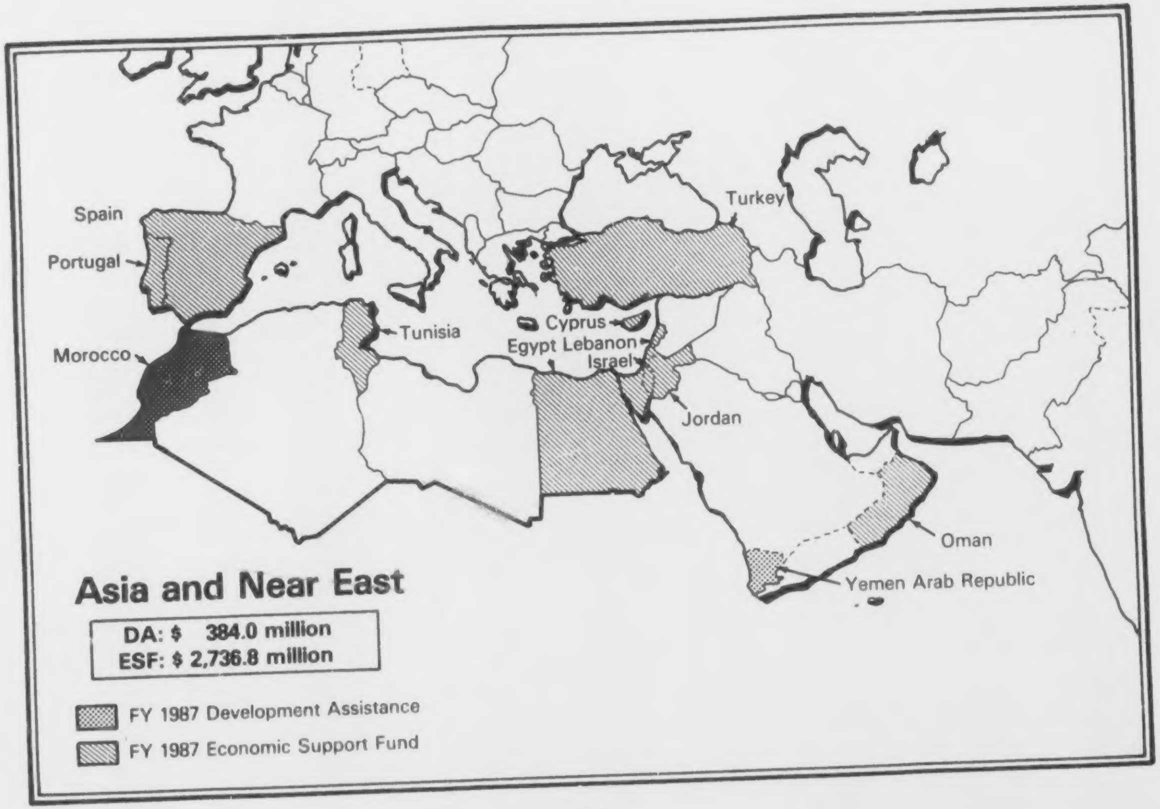
Asia and Near East

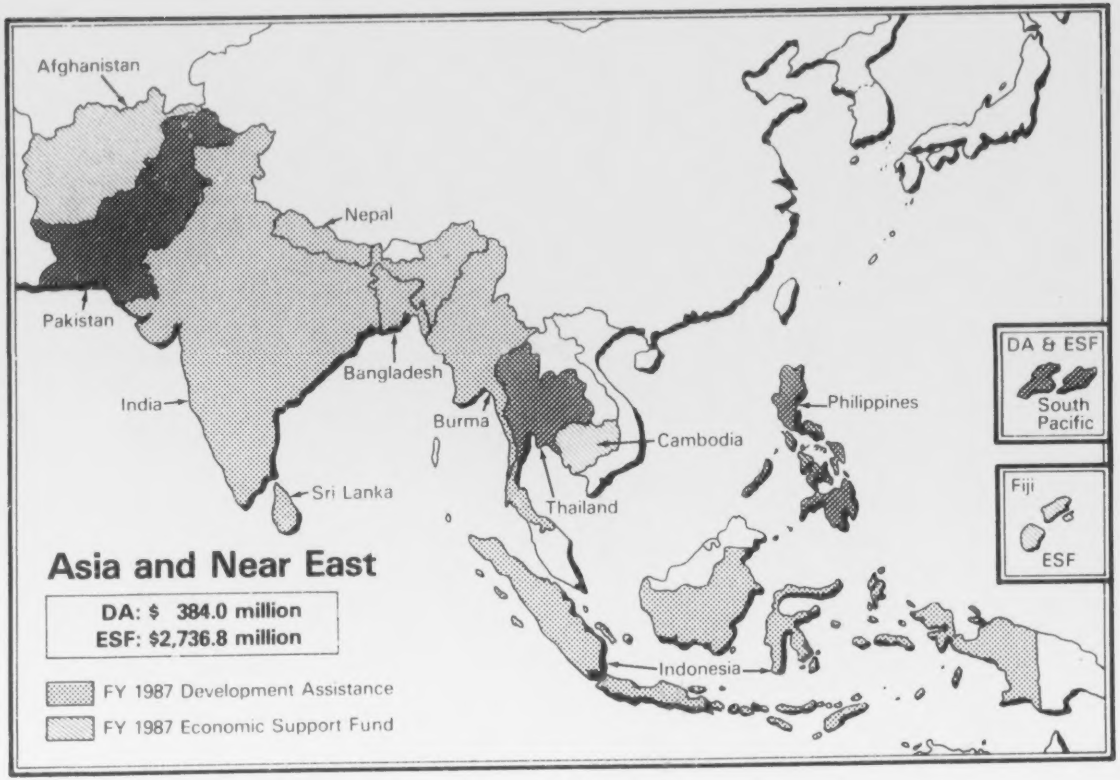
ASIA and the NEAR EAST

Responsible Officer:

Charles W. Greenleaf Jr.

CHARLES W. GREENLEAF, Jr.
Assistant Administrator
Bureau for Asia and the Near East


Spain
Portugal
Morocco
Tunisia
Cyprus
Egypt
Lebanon
Israel
Jordan
Turkey
Oman
Yemen Arab Republic
Asia and Near East
DA: $ 384.0 million
ESF: $ 2,736.8 million
▩ FY 1987 Development Assistance
▨ FY 1987 Economic Support Fund



Asia and Near East

DA: $ 384.0 million
ESF: $2,736.8 million
▨ FY 1987 Development Assistance
▨ FY 1987 Economic Support Fund
Afghanistan
Pakistan
India
Nepal
Bangladesh
Burma
Sri Lanka
Thailand
Cambodia
Philippines
Indonesia
DA & ESF
South Pacific
Fiji
ESF

ANNEX II

Annex II presents to the Congrss all the Economic Support Fund (ESF) and Development Assistance (DA) programs for Asia and the Near East for which A.I.D. is requesting funds for FY 1987.

The Annex begins with a summary table which provides a breakout by country and appropriation account of fundings from FY 1984 to FY 1987 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. assistance as well as for selected non-aid recipient countries. Immediately following these tables is an overview of the proposed DA and ESF programs followed, in alphabetical order by country narratives including the projects for which funds are being requested in twenty-three countries and two regional programs. The narratives are followed by planned project summary sheets, where applicable, which present in detail requests for proposed new projects in FY 1987. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex IV.

Also included in this year's submission is a section consisting of proposed shelf projects for FY 1987. These are projects and activities not detailed in this proposal to Congress but which represent valid development requirements. To the extent that funds become available, such projects are candidates for funding in FY 1987.

ASIA AND NEAR EAST - TABLE OF CONTENTS

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** ESF Only.

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR ASIA AND NEAR EAST

CP-87

OFFICE	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
AFGHANISTAN									
1984	---	---	---	---	---	---	---	---	---
1985	3,912	---	---	---	---	---	---	543	3,369
1986	17,812	---	---	---	---	---	---	17,812	---
1987	15,000	---	---	---	---	---	---	15,000	---
BANGLADESH									
1984	77,029	51,029	26,000	---	---	---	---	---	---
1985	85,070	47,770	32,000	---	5,000	300	---	---	---
1986	75,000	40,700	29,000	2,000	2,000	300	1,000	---	---
1987	75,000	40,000	29,000	---	2,500	2,000	1,500	---	---
BURMA									
1984	12,200	10,160	---	2,040	---	---	---	---	---
1985	14,930	12,750	---	2,180	---	---	---	---	---
1986	10,000	9,180	---	320	---	500	---	---	---
1987	10,000	8,000	---	1,500	---	500	---	---	---
CYPRUS									
1984	15,000	---	---	---	---	---	---	15,000	---
1985	15,000	---	---	---	---	---	---	15,000	---
1986	14,355	---	---	---	---	---	---	14,355	---
1987	3,000	---	---	---	---	---	---	3,000	---
EGYPT									
1984	852,949	---	---	---	---	---	---	852,949	---
1985	1,065,000	---	---	---	---	---	---	1,065,000	---
1986	1,031,382	---	---	---	---	---	---	1,031,382	---
1987	815,000	---	---	---	---	---	---	815,000	---
FIJI									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	1,357	---	---	400	---	---	---	957	---
1987	1,500	---	---	---	---	---	---	1,500	---
INDIA									
1984	87,500	72,300	10,400	2,200	---	2,600	---	---	---
1985	85,000	53,600	20,900	6,500	---	---	4,000	---	---
1986	75,000	51,200	---	12,700	6,000	---	5,100	---	---
1987	72,000	60,600	---	6,000	---	1,400	4,000	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR ASIA AND NEAR EAST

CP-87

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
INDONESIA									
1984	74,649	45,955	9,500	2,850	---	11,010	5,287	---	47
1985	66,303	42,380	1,500	15,125	---	4,760	2,500	---	38
1986	52,960	36,110	---	11,400	---	2,300	3,150	---	---
1987	55,000	28,875	6,000	8,400	---	4,500	7,225	---	---
ISRAEL									
1984	910,000	---	---	---	---	---	---	910,000	---
1985	1,950,000	---	---	---	---	---	---	1,950,000	---
1986	1,898,400	---	---	---	---	---	---	1,898,400	---
1987	1,200,000	---	---	---	---	---	---	1,200,000	---
ITALY									
1984	10,000	---	---	---	---	---	---	10,000	---
1985	1,656	---	---	---	---	---	---	---	1,656
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---
JORDAN									
1984	20,000	---	---	---	---	---	---	20,000	---
1985	100,000	---	---	---	---	---	---	100,000	---
1986	89,570	---	---	---	---	---	---	89,570	---
1987	18,000	---	---	---	---	---	---	18,000	---
LEBANON									
1984	28,063	---	---	---	---	---	---	27,778	285
1985	20,202	---	---	---	---	---	---	18,775	1,427
1986	21,942	---	---	---	---	---	---	21,942	---
1987	2,000	---	---	---	---	---	---	2,000	---
MOROCCO									
1984	26,435	9,900	5,260	---	---	3,105	1,170	7,000	---
1985	34,545	9,975	3,850	500	---	1,800	3,420	15,000	---
1986	31,484	10,400	3,200	---	2,000	1,900	2,500	11,484	---
1987	38,000	9,500	4,000	---	---	1,500	3,000	20,000	---
NEPAL									
1984	14,066	8,616	2,400	1,950	---	950	150	---	---
1985	19,128	12,329	2,600	2,600	---	1,493	106	---	---
1986	14,400	9,251	2,100	1,825	---	1,224	---	---	---
1987	14,400	10,219	1,229	1,699	---	1,253	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN "HOUSANDS OF DOLLARS)

REGION: BUREAU FOR ASIA AND NEAR EAST

CP-87

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
OMAN									
1984	15,000	---	---	---	---	---	---	15,000	---
1985	20,000	---	---	---	---	---	---	20,000	---
1986	9,570	---	---	---	---	---	---	9,570	---
1987	18,800	---	---	---	---	---	---	18,800	---
PAKISTAN									
1984	225,000	---	---	---	---	---	---	225,000	---
1985	250,000	37,800	12,200	---	---	---	---	200,000	---
1986	263,250	11,000	6,500	6,500	---	---	---	239,250	---
1987	275,000	13,200	8,800	---	---	3,000	---	250,000	---
PHILIPPINES									
1984	82,120	20,320	5,300	2,300	---	3,800	400	50,000	---
1985	175,376	25,833	---	4,500	---	300	3,767	140,000	976
1986	138,505	12,030	---	4,840	---	300	1,710	119,625	---
1987	118,000	13,850	4,000	1,450	---	650	3,050	95,000	---
POLAND									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	14,000	10,000	---	---	---	---	---	4,000	---
1987	---	---	---	---	---	---	---	---	---
PORTUGAL									
1984	40,000	---	---	---	---	---	---	40,000	---
1985	80,000	---	---	---	---	---	---	80,000	---
1986	76,560	---	---	---	---	---	---	76,560	---
1987	80,000	---	---	---	---	---	---	80,000	---
SPAIN									
1984	12,000	---	---	---	---	---	---	12,000	---
1985	12,000	---	---	---	---	---	---	12,000	---
1986	11,484	---	---	---	---	---	---	11,484	---
1987	12,000	---	---	---	---	---	---	12,000	---
SRI LANKA									
1984	44,735	37,044	---	7,048	---	143	500	---	---
1985	34,662	23,956	---	10,200	---	200	306	---	---
1986	20,000	16,350	---	2,000	---	100	1,550	---	---
1987	20,000	19,000	---	---	---	---	1,000	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
THAILAND									
1984	35,848	14,000	3,568	7,700	---	103	1,232	9,115	130
1985	32,109	1,609	1,500	700	---	---	20,300	8,000	---
1986	24,000	12,850	900	1,200	---	---	4,050	5,000	---
1987	24,000	12,200	---	700	---	---	6,100	5,000	---
TUNISIA									
1984	1,550	---	---	---	---	---	40	1,500	10
1985	22,630	---	2,500	---	---	---	40	20,000	90
1986	19,140	---	---	---	---	---	---	19,140	---
1987	20,000	---	---	---	---	---	---	20,000	---
TURKEY									
1984	138,503	---	---	---	---	---	---	138,500	3
1985	175,000	---	---	---	---	---	---	175,000	---
1986	119,625	---	---	---	---	---	---	119,625	---
1987	150,000	---	---	---	---	---	---	150,000	---
YEMEN									
1984	27,392	10,932	---	8,461	---	7,959	40	---	---
1985	27,449	12,070	---	5,500	---	9,839	40	---	---
1986	23,000	11,550	---	3,950	---	7,500	---	---	---
1987	26,000	11,500	---	4,430	---	10,070	---	---	---
SO PACIFIC REGIONAL									
1984	5,532	2,900	---	155	---	1,945	532	---	---
1985	6,023	2,800	---	300	---	2,123	800	---	---
1986	5,457	2,400	---	400	---	1,000	700	957	---
1987	6,000	2,300	---	400	---	1,100	700	1,500	---
ASIA AND NEAR EAST REGIONAL									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	46,911	10,229	2,634	2,554	---	5,801	4,564	21,129	---
1987	52,100	8,702	1,971	2,830	---	5,147	3,450	30,000	---
ASIA REGIONAL									
1984	17,631	6,087	125	1,887	---	4,821	4,711	---	---
1985	19,333	7,109	643	3,229	---	4,360	3,992	---	---
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR ASIA AND NEAR EAST

CP-87

OFFICE	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
NEAR EAST REGIONAL									
1984	18,963	495	1,655	448	---	1,817	558	13,990	---
1985	23,640	658	2,018	332	---	1,342	1,088	18,202	---
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---
TOTAL									
1984	2,792,165	289,738	64,208	37,039	---	38,253	14,420	2,347,832	475
1985	4,338,968	290,639	79,711	51,666	5,000	26,517	40,359	3,837,520	7,556
1986	4,105,164	243,250	44,334	50,089	10,000	20,925	24,324	3,712,242	---
1987	3,120,800	237,946	55,000	27,409	2,500	31,120	30,025	2,736,800	---

ECONOMIC AND SOCIAL DATA (REGIONAL SUMMARY)

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: ASIA

	POPULATION			HEALTH			EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI- PATION	POP/AGRICUL- TURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
AFGHANISTAN	15,056(85)	2.4% (85)	37(85)	16,728(78)	10% (80)	182(85)	20% (80)	54% (79)	44(82)	27(84)
BANGLADESH	101,408(85)	2.7% (85)	50(85)	10,936(79)	38% (80)	140(85)	29% (81)	53% (74)	955(82)	681(84)
BURMA	36,919(85)	2.0% (85)	56(85)	4,681(79)	21% (80)	69(85)	66% (80)	.% .	333(82)	54(84)
FIJI	700(85)	2.0% (85)	67(85)	2,232(80)	77% (80)	23(85)	79% (76)	49% (76)	221(82)	37(84)
INDIA	767,681(85)	2.1% (85)	56(85)	3,640(80)	41% (80)	101(85)	41% (81)	52% (71)	396(82)	228(84)
INDONESIA	173,103(85)	2.1% (85)	55(85)	11,529(79)	23% (81)	89(85)	67% (80)	51% (77)	483(82)	83(84)
KAMPUCHEA (CAMBODIA)	6,249(85)	2.2% (85)	44(85)	15,913(71)	.% .	. .	42% (63)	51% (62)	183(82)	39(84)
NEPAL	16,996(85)	2.7% (85)	47(85)	30,062(80)	14% (80)	107(85)	19% (75)	59% (71)	374(82)	114(84)
PAKISTAN	99,199(85)	2.6% (85)	51(85)	3,478(80)	35% (81)	125(85)	26% (81)	52% (81)	344(82)	115(84)
PHILIPPINES	56,808(85)	2.5% (83)	65(85)	7,966(80)	73% (83)	53(85)	83% (80)	48% (76)	494(84)	178(84)
SRI LANKA	15,599(85)	1.3% (84)	70(85)	7,172(80)	70% (81)	28(85)	86% (81)	51% (71)	763(79)	239(84)
THAILAND	51,546(85)	1.7% (85)	64(85)	7,104(79)	63% (80)	57(85)	88% (80)	51% (78)	250(82)	97(84)
CP SUMMARY	1,341,264 *	2.2% #	56 #	6,111	39% #	100 #	47% #	52% #	403 @	158 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: ASIA

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

	POPULATION		HEALTH				EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
CHINA	1,037,588(85)	0.8% (85)	67(85)	1,736(83)	50% (82)	50(85)	66% (82)	.% .	261(82)	108(84)
KOREA, DEMOCRATIC PEOPLE'	20,082(85)	2.3% (85)	66(85)	429(79)	.% .	30(85)	.% .	.% .	808(82)	163(84)
KOREA, REPUBLIC OF	42,643(85)	1.5% (85)	68(85)	1,690(80)	78% (80)	30(85)	88% (70)	47% (79)	1,764(82)	412(84)
MALAYSIA	15,467(85)	2.3% (85)	68(85)	7,911(77)	63% (80)	21(85)	58% (70)	48% (77)	333(82)	46(84)
SINGAPORE	2,556(85)	1.1% (85)	73(85)	1,152(80)	100% (80)	9(85)	83% (80)	59% (80)	24,718(82)	4,221(84)
VIETNAM	60,492(85)	2.5% (85)	65(85)	4,188(80)	.% .	59(85)	84% (79)	.% .	519(82)	182(84)
NCP SUMMARY	1,178,828 *	1.0% #	67 #	1,268	51% #	49 #	67% #	47% #	4,734 ●	855 ●
REGION SUMMARY	* 2,520,092 *	1.6% #	61 #	2,688	45% #	76 #	56% #	52% #	1,847 ●	390 ●

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: NEAR EAST

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

	POPULATION		HEALTH				EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
CYPRUS	665(85)	1.3% (84)	75(85)	1 123(8C)	100% (80)	12(85)	89% (76)	61% (74)	122(82)	72(84)
EGYPT	49,133(85)	2.8% (85)	58(85)	971(8C)	75% (80)	105(85)	44% (76)	47% (79)	1,545(82)	46(84)
ISRAEL	4,128(85)	1.9% (85)	75(85)	371(79)	.% .	13(85)	88% (72)	43% (80)	324(82)	201(84)
ITALY	57,116(85)	0.2% (85)	75(85)	342(79)	.% .	12(85)	94% (71)	55% (80)	323(82)	189(84)
JORDAN	2,668(85)	3.8% (84)	64(85)	1,165(82)	80% (82)	51(85)	65% (79)	36% (76)	204(81)	35(84)
LEBANON	2,619(85)	2.1% (85)	66(85)	536(79)	94% (75)	42(85)	68% (70)	42% (75)	851(82)	253(84)
MOROCCO	23,117(85)	2.4% (85)	53(85)	10,750(80)	55% (76)	93(85)	21% (71)	45% (71)	97(82)	48(84)
OMAN	1,228(85)	3.4% (85)	54(85)	1,903(80)	32% (76)	115(85)	.% .	.% .	104(82)	4(84)
POLAND	37,233(85)	0.8% (85)	72(85)	573(79)	47% (70)	18(85)	99% (78)	57% (78)	192(82)	118(84)
PORTUGAL	10,265(85)	0.5% (85)	72(84)	487(83)	78% (80)	18(85)	71% (70)	56% (81)	245(82)	111(84)
SPAIN	38,829(85)	0.6% (85)	75(85)	454(79)	.% .	9(85)	93% (81)	51% (79)	122(82)	76(84)
TUNISIA	7,259(85)	2.3% (85)	62(85)	3,686(80)	63% (82)	53(85)	47% (80)	47% (80)	82(82)	43(84)
TURKEY	50,661(85)	2.3% (85)	64(85)	1,631(80)	76% (80)	90(85)	69% (80)	51% (75)	126(82)	62(84)
YEMEN (SANAA) (NORTH)	6,159(85)	2.9% (85)	45(85)	13,320(79)	14% (81)	154(85)	9% (80)	45% (75)	76(82)	40(84)
CP SUMMARY	291,080 *	1.5% #	67 #	785	65% #	53 #	71% #	51% #	315 @	93 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	POPULATION			HEALTH			EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
ALGERIA	22,107(85)	3.2% (85)	58(85)	2,629(79)	85% (80)	80(85)	45% (82)	40% (77)	45(82)	9(84)
BAHRAIN	427(85)	3.5% (85)	69(85)	956(80)	100% (75)	34(85)	63% (81)	56% (79)	3,760(82)	678(84)
IRAN	45,191(85)	3.1% (85)	61(85)	6,088(80)	60% (76)	112(85)	37% (76)	48% (76)	69(82)	27(84)
IRAQ	15,507(85)	3.2% (85)	60(85)	1,803(80)	70% (80)	80(85)	24% (65)	42% (77)	150(82)	35(84)
KUWAIT	1,710(85)	3.5% (85)	72(85)	588(80)	85% (76)	21(85)	68% (80)	50% (75)	1,116(82)	101(84)
LIBYA	3,752(85)	3.2% (85)	59(85)	733(80)	98% (80)	82(85)	50% (73)	42% (73)	21(82)	2(84)
SAUDI ARABIA	11,152(85)	3.2% (85)	57(85)	1,673(78)	91% (80)	100(85)	25% (80)	.%	12(82)	5(84)
SYRIA	10,535(85)	3.7% (85)	67(85)	2,243(80)	71% (80)	51(85)	40% (70)	41% (79)	66(82)	54(84)
NCP SUMMARY	110,381 *	3.2% #	61 #	1,279	72% #	91 #	37% #	44% #	655 @	114 @
REGION SUMMARY	401,461 *	2.0% #	65 #	913	68% #	64 #	62% #	49% #	439 @	100 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: ASIA

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
AID RECIPIENT COUNTRIES								
AFGHANISTAN	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
BANGLADESH	130 (83)	. .	. .	19.8 (83)	172.5 (83)	1.4 (83)	1.6 (83)	8.7 (83)
BURMA	180 (83)	. .	. .	39.9 (83)	19.0 (83)	0.3 (83)	0.1 (83)	4.8 (83)
FIJI	1,790 (83)	23.1 (79)	127.3 (82)	17.3 (83)	0.0 (83)	0.0 (83)	0.2 (83)	2.9 (83)
INDIA	260 (83)	43.2 (80)	816.8 (80)	10.3 (83)	209.6 (83)	0.1 (83)	0.1 (83)	1.2 (83)
INDONESIA	560 (83)	21.5 (80)	. .	13.7 (83)	138.8 (83)	0.2 (83)	0.1 (83)	1.1 (83)
KAMPUCHEA (CAMBODIA)	. .	. .	. .	. .	2.1 (83)	. .	. .	. .
NEPAL	160 (83)	. .	204.9 (78)	8.3 (83)	18.6 (83)	0.7 (83)	0.8 (83)	7.3 (83)
PAKISTAN	390 (83)	49.9 (80)	491.8 (80)	28.9 (83)	539.5 (83)	1.6 (83)	0.3 (83)	2.6 (83)
PHILIPPINES	760 (83)	21.4 (82)	169.5 (82)	25.0 (83)	154.2 (83)	0.4 (83)	0.4 (83)	1.2 (83)
SRI LANKA	330 (83)	77.6 (80)	296.4 (80)	18.7 (83)	80.5 (83)	1.5 (83)	1.2 (83)	9.4 (83)
THAILAND	820 (83)	24.8 (81)	124.1 (81)	15.0 (83)	125.0 (83)	0.3 (83)	0.1 (83)	1.2 (83)
CP SUMMARY	296	30.1	210.1	15.9	1459.8 *	0.4	0.1	2.1

* = SUM, OTHERS = HARMONIC MEANS

REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: ASIA

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

		DEBT			FOREIGN ASSISTANCE			
	GNP PER CAPITA, $US	GOVERNMENT DEBT OUTSTANDING		DEBT SERVICE RATIO	TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
		AS % OF GNP	AS % OF EXPORTS		US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
CHINA	300 (83)	. .	. .	. .	0.1 (83)	0.0 (83)	0.0 (83)	0.2 (83)
KOREA, DEMOCRATIC PEOPLE'S	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
KOREA, REPUBLIC OF	2,010 (83)	14.3 (80)	50.1 (80)	16.1 (83)	186.7 (83)	0.2 (83)	0.0 (83)	0.2 (83)
MALAYSIA	1,860 (83)	46.6 (79)	82.9 (79)	7.0 (83)	5.5 (83)	0.0 (83)	0.0 (83)	1.1 (83)
SINGAPORE	6,620 (83)	69.6 (80)	39.2 (80)	1.9 (83)	0.1 (83)	0.0 (83)	0.0 (83)	0.1 (83)
VIETNAM	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
NCP SUMMARY	885	28.4	52.1	4.2	192.4 *	0.0	0.0	0.2
REGION SUMMARY	365	29.5	110.1	9.6	0.0 *	0.0	0.0	0.6

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
AID RECIPIENT COUNTRIES								
CYPRUS	3,680 (83)	31.7 (81)	119.6 (81)	11.3 (83)	15.0 (83)	0.6 (83)	0.0 (83)	0.9 (83)
EGYPT	700 (83)	. .	. .	66.8 (83)	2332.0 (83)	6.8 (83)	3.0 (83)	4.6 (83)
ISRAEL	5,370 (83)	198.8 (78)	683.3 (78)	35.2 (83)	2485.0 (83)	11.0 (83)	5.8 (83)	6.2 (83)
ITALY	6,400 (83)	51.7 (80)	262.9 (80)	. .	13.2 (83)	0.0 (83)	0.0 (83)	0.0 (83)
JORDAN	1,640 (83)	40.4 (82)	256.2 (82)	36.7 (83)	72.9 (83)	1.6 (83)	0.5 (83)	16.5 (83)
LEBANON	. .	. .	. .	. .	153.9 (83)	. .	. .	. .
MOROCCO	760 (83)	43.1 (80)	320.3 (80)	54.4 (83)	155.2 (83)	1.0 (83)	0.3 (83)	2.2 (83)
OMAN	6,250 (83)	10.0 (81)	14.4 (81)	3.4 (83)	45.2 (83)	0.7 (83)	0.0 (83)	0.0 (83)
POLAND	. .	. .	. .	. .	24.8 (83)	. .	. .	. .
PORTUGAL	2,230 (83)	. .	. .	35.4 (83)	131.2 (83)	0.6 (83)	0.1 (83)	0.3 (83)
SPAIN	4,780 (83)	17.3 (80)	175.1 (80)	. .	414.5 (83)	0.2 (83)	0.0 (83)	0.0 (83)
TUNISIA	1,290 (83)	44.2 (80)	172.6 (80)	40.1 (83)	120.6 (83)	1.4 (83)	0.3 (83)	2.8 (83)
TURKEY	1,240 (83)	21.8 (80)	437.1 (80)	39.7 (83)	688.8 (83)	1.2 (83)	0.4 (83)	0.8 (83)
YEMEN (SANAA) (NORTH)	550 (83)	22.3 (79)	3857.3 (79)	443.6 (83)	36.1 (83)	0.9 (83)	0.6 (83)	9.0 (83)
CP SUMMARY	1,466	26.7	96.0	18.0	6688.4 *	0.0	0.3	1.7

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
ALGERIA	2,320 (83)	. .	. .	38.8 (83)	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
BAHRAIN	10,510 (83)	. .	6.2 (81)	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
IRAN	. .	. .	. .	3.6 (77)	0.0 (83)	. .	. .	. .
IRAQ	. .	. .	. .	1.1 (77)	0.0 (83)	. .	. .	. .
KUWAIT	17,880 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
LIBYA	8,480 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
SAUDI ARABIA	12,230 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
SYRIA	1,760 (83)	. .	. .	20.6 (83)	0.0 (83)	0.0 (83)	0.2 (83)	5.7 (83)
NCP SUMMARY	4,445	.	6.2	3.2	0.0 *	0.0	1.0	34.1
REGION SUMMARY	1,888	26.7	41.4	7.8	0.0 *	0.1	0.3	2.5

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: ASIA

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
AFGHANISTAN	0.5 (83)	2.4 (83)	.	.	.	.	.	.
BANGLADESH	0.5 (83)	5.2 (83)	9.6 (83)	.	-1,431 (84)	-3.8 (79)	1.0 (79)	-424 (84)
BURMA	2.2 (83)	6.0 (83)	6.5 (83)	.	-352 (83)	-4.4 (82)	3.2 (82)	-343 (83)
FIJI	.	.	.	26.1 (79)	-162 (84)	16.4 (82)	1.2 (82)	-64 (83)
INDIA	1.5 (83)	4.0 (83)	7.7 (83)	19.9 (80)	-4,360 (85)	34.1 (80)	2.7 (80)	-2,526 (82)
INDONESIA	5.0 (83)	7.0 (83)	18.0 (83)	26.5 (80)	1,012 (83)	9.6 (80)	3.2 (80)	-6,294 (83)
KAMPUCHEA (CAMBODIA)	.	.	.	.	.	.	.	.
NEPAL	0.1 (83)	3.0 (83)	8.1 (83)	.	-372 (83)	20.2 (79)	0.9 (79)	-143 (83)
PAKISTAN	2.5 (83)	5.6 (83)	11.1 (83)	20.8 (80)	-2,716 (83)	25.0 (80)	5.3 (80)	18 (83)
PHILIPPINES	2.9 (83)	5.4 (83)	11.7 (83)	15.6 (82)	-679 (84)	27.5 (82)	1.6 (82)	-2,760 (83)
SRI LANKA	2.9 (83)	5.2 (83)	14.5 (83)	42.0 (80)	-665 (83)	43.1 (80)	0.6 (77)	-472 (83)
THAILAND	4.3 (83)	6.9 (83)	8.7 (83)	18.4 (81)	-1,927 (84)	19.0 (81)	3.7 (81)	-2,098 (84)
CP SUMMARY	2.2 @	5.1 @	10.7 @	22.1	-2,222 &	24.1 &	1.5	-2,961 &

@ = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: ASIA

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI- TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIE,								
CHINA	4.4 (83)	6.0 (83)	1.7 (83)	. .	. .	. .	. .	. .
KOREA, DEMOCRATIC PEOPLE'S	. .	. .	. .	. .	. .	. .	. .	. .
KOREA, REPUBLIC OF	6.6 (83)	7.3 (83)	19.3 (83)	20.6 (80)	-1,738 (83)	11.1 (80)	6.0 (80)	-1,578 (83)
MALAYSIA	4.5 (83)	7.3 (83)	6.5 (83)	27.5 (79)	2,739 (84)	12.7 (79)	3.8 (79)	-1,695 (84)
SINGAPORE	7.4 (83)	8.2 (83)	5.4 (83)	26.3 (80)	-5,878 (83)	-6.6 (80)	5.2 (80)	-956 (83)
VIETNAM	. .	. .	. .	. .	. .	. .	. .	. .
NCP SUMMARY	5.7 ●	7.2 ●	8.2 ●	24.4	-1,609 &	8.8 &	4.8	-1,508 &
REGION SUMMARY	3.2 ●	5.7 ●	9.9 ●	22.8	-2,086 &	20.7 &	1.8	-2,638 &

● = ARITHMETIC MEAN. & = WEIGHTED MEAN (BY GNP). OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
CYPRUS	5.5 (83)	. .	10.8 (83)	29.7 (81)	-656 (83)	22.7 (81)	2.0 (81)	-185 (83)
EGYPT	4.2 (83)	8.8 (83)	13.2 (83)	56.2 (79)	-3,823 (83)	29.5 (79)	3.3 (79)	-785 (83)
ISRAEL	2.9 (83)	3.2 (83)	73.0 (83)	85.6 (80)	-2,678 (84)	21.9 (80)	30.1 (80)	-2.319 (83)
ITALY	2.8 (83)	2.2 (83)	17.4 (83)	48.3 (80)	-3,131 (83)	24.5 (80)	1.6 (80)	647 (83)
JORDAN	6.9 (83)	11.1 (83)	10.0 (83)	40.1 (82)	-1,720 (84)	19.1 (82)	11.8 (82)	-223 (84)
LEBANON	. .	. .	. .	. .	. .	. .	. .	. .
MOROCCO	2.9 (83)	4.7 (83)	8.4 (83)	34.4 (80)	-1,242 (83)	29.1 (80)	6.3 (80)	-892 (83)
OMAN	6.5 (83)	6.5 (83)	17.9 (83)	49.2 (81)	1,813 (83)	-4.5 (81)	22.0 (81)	572 (83)
POLAND	. .	. .	. .	. .	. .	. .	. .	. .
PORTUGAL	3.7 (83)	. .	20.1 (83)	35.5 (77)	-2,026 (84)	18.7 (77)	4.4 (75)	-983 (83)
SPAIN	3.0 (83)	1.8 (83)	16.7 (83)	29.2 (80)	-4,059 (84)	14.8 (80)	1.2 (80)	2,059 (84)
TUNISIA	5.0 (83)	6.0 (83)	9.4 (83)	35.2 (80)	-1,178 (83)	7.9 (80)	3.9 (80)	-561 (83)
TURKEY	3.0 (83)	4.1 (83)	42.0 (83)	25.2 (80)	-2.942 (84)	21.6 (79)	3.9 (80)	-1,407 (84)
YEMEN (SANAA) (NORTH)	5.7 (83)	4.2 (83)	13.9 (83)	36.8 (81)	-1,756 (83)	42.8 (81)	15.4 (81)	-558 (83)
CP SUMMARY	4.3 @	5.3 @	21.1 @	38.0	-3,203 &	21.4 &	3.5	566 &

@ = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIES								
ALGERIA	3.6 (83)	6.5 (83)	12.8 (83)	. .	3,226 (83)	. .	. .	-86 (83)
BAHRAIN	. .	. .	. .	. .	-41 (84)	-26.1 (81)	. .	238 (83)
IRAN	. .	. .	. .	34.1 (79)	8,532 (77)	15.8 (79)	5.2 (79)	5,081 (77)
IRAQ	. .	. .	. .	. .	4,970 (77)	. .	. .	2,990 (77)
KUWAIT	0.2 (83)	1.4 (83)	10.2 (83)	26.3 (80)	4,769 (84)	. .	3.7 (81)	5,570 (84)
LIBYA	-0.9 (83)	3.0 (83)	11.6 (83)	. .	3,439 (83)	. .	. .	-1,707 (83)
SAUDI ARABIA	6.7 (83)	6.9 (83)	16.5 (83)	. .	11,926 (83)	. .	. .	-18,433 (83)
SYRIA	4.9 (83)	8.0 (83)	12.7 (83)	. .	-2,225 (83)	. .	17.1 (80)	-815 (83)
NCP SUMMARY	2.9 ●	5.2 ●	12.8 ●	29.7	7,430 &	-26.1 &	5.8	-8,907 &
REGION SUMMARY	3.9 ●	5.2 ●	18.6 ●	36.5	-429 &	21.1 &	3.8	-1,906 &

● = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

ASIA AND THE NEAR EAST (ANE)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	340,388	129,621	18,000	14,400	2,000	12,667	163,700	-
Grants	3,998,580	161,018	61,711	37,266	24,517	27,692	3,673,820	12,556
Total	4,338,968	290,639	79,711	51,666	26,517	40,359	3,837,520	12,556
1986								
Loans	174,290	73,220	-	4,000	-	-	97,070	-
Grants	3,930,874	170,030	44,334	46,089	20,925	24,324	3,615,172	10,000
Total	4,105,164	243,250	44,334	50,089	20,925	24,324	3,712,242	10,000
1987								
Loans	292,025	82,825	2,000	3,500	3,000	2,900	197,800	-
Grants	2,828,775	155,121	53,000	23,909	28,120	27,125	2,539,000	2,500
Total	3,120,800	237,946	55,000	27,409	31,120	30,025	2,736,800	2,500

1/ Includes $7,556 Disaster Assistance Funds in FY 1985; the remainder is Child Survival Funds.

FY 1987
PROGRAM HIGHLIGHTS

The FY 1987 request consists of

- $2,737 million in Economic Support Funds, including $1,200 million for Israel, $815 million for Egypt, $250 million for Pakistan, and $150 million for Turkey.
- $384 million in Development Assistance, including $75 million for Bangladesh, $72 million for India, and $55 million for Indonesia.
- $383 million in P.L. 480 Title I/III, including $185 million for Egypt, $64 million for Bangladesh, $50 million for Pakistan, and $40 million for Morocco.
- $121 million in P.L. 480 Title II, including $80 million for India and $16 million for Bangladesh.

REGIONAL OVERVIEW

A.I.D.'s newly merged Bureau for Asia and Near East covers an enormous span of territory, ranging two-thirds of the way around the globe from the Atlantic to the mid-Pacific Oceans. Recipient countries are of commensurate diversity, ranging from Relatively Least Developed Countries as poor as any on earth to sophisticated NATO allies. Twenty-eight bilateral and regional programs are proposed for funding in FY 1987. The United States is pursuing, across the region, a wide variety of developmental, political, strategic, and peacemaking objectives. In support of those objectives, we are requesting Development Assistance (DA), Economic Support Funds (ESF), and P.L. 480 Titles I, II, and III resources.

SOUTH AND SOUTHEAST ASIA

Unique Features and U.S. Interests

The A.I.D. program in Asia is predominantly developmental in character, as befits a region where some three-quarters of the world's poor people live under conditions of income, health, and nutrition (especially in South Asia) which are as low as any in the rest of the Third World. These levels of poverty have significant implications for social, political and economic stability in the region. Our efforts to address development problems here support a number of political and security as well as humanitarian objectives.

Traditionally Asia has been an area of great interest and importance to the United States. Political and strategic concerns in Asia include the on-going crisis in the Philippines; armed struggles resulting from the Soviet invasion of Afghanistan and the Vietnamese invasion of Cambodia; communal and international tensions in South Asia; and the illicit drug trade emanating from the Asian region.

Poverty and underdevelopment are common themes which run through these diverse national and regional problems affecting U.S. interests. A.I.D.'s programs in Asia are generally designed to help host country governments improve the pace and distribution of socio-economic growth, thereby strengthening their ability to address their political and economic problems in a peaceful and equitable manner. To this end, A.I.D. is requesting DA, ESF, and P.L. 480 resources to be integrated into a strong, developmentally oriented regional program.

Progress in Meeting Goals

There have been a number of recent indicators of positive overall Asian economic performance. Gross domestic product (GDP) in Asian countries grew by 6.5% in 1984, and by over 7% in 1983. With the notable exception of the

Philippines, Asian countries were relatively free from severe debt service adjustment problems. As a result, national authorities were able to pursue neutral or only mildly restrictive financial policies in 1984. Fiscal deficits in most of Asia, already lower than the average for other regions, changed little from 1983 to 1984 but increased in 1985.

Asia also recorded a low aggregate regional rate of inflation in 1984/85, at 7.6%. However, countries in the region experienced continued deterioration in their current account balances (averaging -7.9% in 1984 and -15.0% projected in 1985). An improvement in the employment picture was discernible in those primarily Southeast Asian countries that are mainly exporters of manufactures and which were well positioned to benefit from the increase in world trade. However many Asian countries have also been negatively affected by the continued weakness in the oil markets, usually due to declining remittances from workers employed in the Middle East.

Agriculture continues to dominate the Asian economies. Total South Asian cereal production fell very slightly in 1984-85, after breaking previous records by 11 percent in 1983-84 largely due to bumper Indian harvests. The 1984-85 decline in rice production was due to poor monsoon rainfall in some areas, and growth in wheat output was slowed by abnormally dry winter weather. In Southeast Asia, cereals production rose to a record high in Indonesia in 1983/84 and again in 1984/85. Food production growth in the Philippines remained very slow in both years, partly due to poor weather. Over the longer term, however, per capita food production has improved in most countries of the region. Despite this developmental success, provision of adequate food security and employment remains threatened by population growth, which continues to outrun increases in food production.

Population continues to be a serious concern in the region, and one which has received major and sustained attention by recipient countries. As a result of A.I.D., host government, and other donor efforts, the crude birth rate in A.I.D.-assisted countries in Asia has dropped from an average of 45 per 1000 in 1960 to 35 per 1000 in 1985. However, even if lower average annual growth rates were to continue, the 1.26 billion current population of these countries would still double in less than 35 years. Child survival efforts are closely related to population issues. Half of all the infant and young child deaths in all the A.I.D.-assisted countries worldwide occur in four Asian countries: India, Pakistan, Bangladesh, and Indonesia.

Lessons Learned

Recent evaluations have identified a number of noteworthy lessons which are being incorporated into new project design and implementation.

Recent evaluations of agriculture research projects in Pakistan, Bangladesh and the Philippines have concluded that while research capability has improved, lack of specific training in research management is now becoming a significant constraint to further institutional growth. The studies stress that for successful institution building, agriculture research projects must include components aimed at training research managers how to plan, prioritize and use limited resources efficiently. To apply this lesson, A.I.D. funds now enable ISNAR (International Service for Agriculture Research) and AIM (Asian Institute of Management) to provide such training in Sri Lanka, Philippines, Indonesia and India.

Other agriculture research evaluations have concluded that sound and useful technologies developed at central research stations are not being adopted by farmers who live in less favorable agroclimatic and socio-economic environments. What is needed is a greater understanding of the constraints to adoption. Accordingly, A.I.D. has successfully encouraged the governments of Indonesia and Pakistan to move research activities away from the central stations and onto provincial substations closer to farmers. In addition, in agriculture research, the Bureau is increasingly pursuing a farming systems approach to help researchers understand how new technologies can be integrated into the entire farming system.

In irrigation, lessons from three major evaluations undertaken in Indonesia in 1984/85 have substantially shaped the development of the recently approved Small-Scale Irrigation Project (497-0347). The major lessons were the following:

- Assessment of an earlier project showed only a small increase in irrigated area due to inappropriate design or location. A new and comprehensive set of site selection criteria was developed and used in designing the new Small-Scale Irrigation project.

- Centralized decision-making has led to inappropriate irrigation investments and poor design due to ignorance of local conditions. The new project will decentralize decision-making to the provincial and district levels and strengthen local staff capacity.

- In another predecessor project, community organizers were effective in increasing farmer involvement in the pre-construction phase. The new project will make use of local organizers to serve as a catalyst for increasing farmer participation in irrigation activities.

Numerous recent evaluations have concluded that forestry projects must be designed both to provide short-term, tangible benefits (increased food, fodder, and fuel production) as well as to achieve longer-term goals (soil conservation). Traditionally, most forestry efforts in Asia have been oriented toward commercial species which require 30 years to reach maturity. Investment is needed in multi-purpose, fast-growing trees. To begin to address this problem, the Asia Near East and Science and Technology Bureaus have approved a joint $40 million effort for Asia--the Forestry and Fuelwood Research and Development Project

(498-0276). This initiative supports an Asia research network focussed on high priority, fast-growing multi-purpose tree species.

Recent evaluations have concluded that acceptance of new technologies and successful management of trees are more widespread if forestry programs are oriented toward private farmers rather than the community as a whole. Social forestry programs need components such as seed distribution programs targeted at the private farmer and closer coordination with agriculture extension programs. The recently approved India National Social Forestry Project (386-0495) and the Bangladesh Homestead Agriculture Forestry Project (388-0062), currently under design, will both be oriented toward private farmers.

Recent A.I.D. studies of health projects have concluded that many public sector primary health care projects lack adequate staff and staff incentives and may be too complex to contribute significantly to reducing infant and child mortality, especially in the near future. These studies suggest that a more effective approach involves a selective emphasis on specific interventions geared to child survival, and which make greater use of private sector channels. As a result of these findings, more recently designed health activities such as the social marketing of Oral Rehydration Therapy (ORT) in Bangladesh, commercial production, distribution and marketing of ORT in the Philippines, the expanded program for immunization in Indonesia, and assistance for the diarrheal disease program of the Government of Indonesia are much more tightly focused on such particular interventions.

Health project evaluation findings in the Philippines, Bangladesh, and Pakistan indicate that the provision of critical supplies (e.g., ORT) must be accompanied by efforts to stimulate demand. Based on these findings, several recently designed projects including Primary Health Care in Pakistan (391-0475), the ORT amendment to the Primary Health Care project in the Philippines (492-0371) and Social Marketing of ORT (338-0050) in Bangladesh have supported private sector marketing and mass media promotion of oral rehydration salts and other supplies.

New Program Emphases

A.I.D. programs in Asia are intensifying their use of policy dialogue, institution building, the private sector and technology transfer to further their objectives.

Policy dialogue agendas are in place or under formulation for all programs and are helping to bring about macroeconomic and sector level reforms in policies that have been inhibiting economic and social development in the Asian countries. For example, at the macroeconomic level in the Philippines, we are engaged in a multidonor effort with the government to restore the country's economic stability and growth. Policy dialogue is the underpinning for our assistance, and we have identified sectors in which significant reforms are necessary in the short term to lay a foundation for longer term structural change. To this end we have focussed our attention on the agriculture sector. The longer term prospects for the Philippine economy will continue to depend on reforms that reintroduce market forces to exploit more effectively the comparative advantage of the Philippines. So far, dialogue applied to the agriculture sector has resulted in the Philippine Government's agreement to deregulate rice prices and open wheat and flour marketing to the private sector. In Pakistan, where our agenda focuses on the delineation of public and private sector roles, dialogue has brought about an official policy supporting private ownership of tubewells and increases in water charges in Baluchistan and Sind provinces which will provide more funding for operations and maintenance. The Government is moving towards increased private sector participation in fertilizer distribution and in oilseed processing and marketing. In Bangladesh, dialogue has reduced the financial and administrative burden placed on the government through significant cuts in credit and fertilizer subsidies along with the shift in fertilizer distribution from the public to the private sector.

Institution building is an important element of every program, both for building specific country and regional research and educational institutions, and for strengthening the systems that include them. In Nepal, the curriculum at the Institute for Renewable Natural Resources project (367-0132) has been revised to strengthen the instruction of watershed management and community forestry so that graduates are better able to combat the rapid depletion of natural resources. In Pakistan, we are helping to integrate agricultural research, extension and education in the Northwest Frontier Province through a major institional project called Transformation and Integration of the Provincial Agricultural Network (391-0488).

New technologies that are appropriate to the development status of individual countries are being promoted through a variety of research projects most of which have an agricultural productivity focus. Others, however, address such additional fields as alternative energy and biomedicine. India and Thailand have the institutional capacity to engage in advanced technological research in several fields, with the assistance of similarly engaged U.S. research institutions. In these countries, A.I.D. provides funding to support initial linkages between the two sets of institutions. In India, for example, the U.S. Center for Disease Control (CDC) and India's National Center for Disease Control (NICD) have developed a strategy to strengthen federal and state capabilities in epidemiology and rapid diagnostic technology (386-0492).

A healthy, growing private sector is a major objective in all policy dialogue agendas. It is an objective that is also pursued through separate projects in many country programs. In Nepal, 20 privately run seed businesses have been established in the Hill areas to produce seeds to increase the food production and consumption of the people in these remote areas. In Bangladesh, by the end of 1984, about 100 private new small businesses had been established through an A.I.D.-supported financial intermediary. In Pakistan, the private sector portion of national fertilizer distribution has increased from one-third to one-half, while the private sector's share of the production of vegetable oil products grew almost ten percent between 1983 and 1984. In Bangladesh, private sector marketing of contraceptives since 1979 has increased condom sales from 31.5 million to 85 million in 1983, and increased pill sales from 700,000 to 1.5 million cycles. A.I.D. is also now supporting contraceptive retail sales in Pakistan. In the Philippines, seven small business institutes became operational in 1985, and will conduct baseline surveys, provide training in needs analysis and offer management courses to local entrepreneurs. In Thailand, A.I.D. financed the preparation of investment opportunity analyses, strategy papers and other support materials for a Board of Investment engineering investment mission to the United States in November 1985. In Indonesia, an A.I.D.-established private Indonesian management institution has developed a program to recruit and place mid-career Indonesians in U.S. companies and business schools for short-term training.

NEAR EAST-NORTH AFRICA

Unique Features and U.S. Interests

Of the 12 countries for which funds are requested in the Near East-North Africa subregion, Egypt, Morocco, and Yemen had 1984 per capita income levels below the $790 cutoff point for International Development Association assistance. Quality-of-life in the region suffers from a number of environmental, public health, and public sector management problems. They include lack of rational land use policies, poor utilization of water resources, inhospitable climate, over-urbanization, lack of pollution controls on industry, unsafe conditions at the workplace, and unreliable public services because of budgetary practices that underestimate the recurrent costs and operation and maintenance of capital projects.

The Arab Moslem societies benefit from strong religious, social, and cultural ties which contribute to their individual members' strong sense of self-confidence and domestic law and order. Cultural factors cause these societies to resist liberalization measures, including economic reforms, that would introduce uncertainty and competition. Despite the desire for rapid economic growth and modernization, many of these societies tend to scrutinize carefully and to control any economic, technical, and educational relationships with Western societies, which they view as possible threats to their identity and independence.

U.S. policy in the area has the principal objectives of expanding the peace process between Israel and its Arab neighbors, strategic defense, and access to the oil supplies of the Persian Gulf. U.S. economic assistance is directly allocated in support of these objectives. With regard to the peace process, U.S. economic assistance is helping Egypt to remain strong enough to continue to resist the pressures of radical forces which seek to undo what has been achieved; Jordan to confront the risks involved in playing a significant role; and Israel to maintain sufficient confidence in its ability to withstand external threats and confidence in U.S. support.

Morocco and Tunisia are strategically located geopolitical partners. The United States has a military transit and exercise agreement with Morocco, and U.S. assistance is helping Morocco to implement necessary economic reforms. Economic assistance to Oman and North Yemen helps protect the vital U.S. interest in free world access to oil supplies of the Persian Gulf.

Progress in Meeting Goals

Three successive years of declining growth in gross domestic product (GDP) were reversed in 1984 in most of the region's states, reflecting both external factors such as economic recovery in the industrialized countries, and domestic adjustment efforts. A major exception was Egypt where the fiscal deterioriation was substantial. Most countries have begun tackling fiscal imbalances, primarily through reductions in public sector investment programs.

Inflation rates in 1984 were, on the average, much lower than those of 1980-81. However, in those countries which monetized fiscal deficits, e.g. Turkey, inflationary pressures intensified.

Several countries, notably Cyprus, Egypt, Jordan, Morocco, Tunisia, and Turkey, experienced larger current account deficits in 1984. The principal reasons were the introduction of import-liberalization measures, higher interest payments on debt, reduced flows of worker remittances (in some countries), and the impact of petroleum-price declines and volume quotas (in the oil-exporting countries).

Few countries can expect a resumption of the high growth of 1970's which was based on plentiful foreign exchange. Mounting debt burdens, reduced external capital flows, and stagnant remittances indicate that more rapid growth in the coming years will depend on improved domestic policies.

Lessons Learned

Recent evaluations have revealed a number of lessons which are being incorporated into project design and implementation.

In agriculture, an evaluation in Jordan revealed the importance of emphasizing the development of appropriate extension methodology. This finding influenced the design of the extension components of the Mission's new major agriculture project in the Jordan highlands. In Morocco, a FY 1984 evaluation of the Range Management Improvement project (608-0145) recommended the project shift from a focus on delimited grazing perimeters to a broader concept of livestock/agricultural zones. The project was substantially redesigned in FY 1985 with a broader focus on range management research and extension.

In irrigation, the evaluation of the Egypt Water Use and Management project (263-0017) found that effective Water Users Associations can have a major impact on the maintenance and management of water resources at the local level. This finding has been incorporated into the off-farm water management component of the Irrigation Management Systems project (263-0132).

A study of the Egyptian Basic Education Program (263-0139) confirms the validity of the project's hypothesis that the construction of accessible schools, the provision of instructional materials, equipment, and limited technical assistance will increase enrollment rates, particularly for females, and will contribute to government efforts to improve the quality of education. Although the evaluation's findings are tentative, the report identifies variables that seem to be related to community support of primary education. Schools that are community-based tend to have the greatest impact on female enrollment. This finding will be closely monitored in subsequent evaluations.

The evaluation of the Strengthening Rural Health project (263-0015) in Egypt recommended that the project form the nucleus of a research and development unit within the Ministry of Health. The idea is to institutionalize the capability to conduct applied research as a way of having the greatest potential for long-term impact in the final eighteen months of the project. Action is under way to establish such a unit. In Jordan the collaborative review of the Health Education project (278-0245) led to a renewed commitment by the Jordanian Ministry of Health to the project's objectives and goals. In a similar vein, the evaluation by a joint Yemeni-American evaluation team of the Yemen Tihama Primary Health Care project (279-0065) used a Team Planning Approach to help resolve communications problems which had emerged within the project. The approach was successful in establishing new channels of communication, in reaffirming the project's objectives and in setting the framework for a new Child Survival project now being considered for FY 1986.

Project evaluations in the water and wastewater sector in Egypt and Jordan have provided guidance for improving project implementation and shaping the overall programs. For example, the evaluation of the Jordan Groundwater Resources Investigation project (278-0243) indicated the continued need for U.S. assistance in monitoring and assessing the quantity and quality of Jordan's groundwater supplies. Findings from this evaluation will provide important guidance for the design of the FY-86 Water Resources project. The FY 1985 assessment of the water and wastewater sector in Egypt identified a number of project and program level recommendations to alleviate generic constraints to sustainability of investments such as interministerial coordination, training, improved construction and O&M practices which must be addressed to insure success of this $1.2 billion program. An early response to these findings by the Mission has been the development of the Institutional and Human Resources Development project to address some of the manpower constraints.

Previous evaluation efforts have not only changed the course of individual projects, but have also modified overall development programs and strategies. For example, in Morocco, as a result of the evaluation of previous regionally funded conventional energy projects (Conventional Energy Technical Assistance, 936-5724, and Energy Management and Conservation, 936-5728), the Mission made the decision to adopt energy development as one of its key sectors. A key lesson from the policy planning evaluation was the need to expand the computer model developed under this project to other major sectors of the economy so that different ministries can look at the energy implications of their decisions. The major recommendation from the conventional energy project evaluation was to include other conventional energy resources (oil) in the follow-on project in terms of determining availabilities, costs of drilling and the potential for export to relieve balance of payments constraints. Another lesson was the need to have trained individuals in place to implement such a program. Taking into account these lessons, the Mission designed and has begun implementation of the Conventional Energy Management and Training project (608-0176) and the Energy Planning Assistance project (608-0180). Combined with the Renewable Energy Development project (608-0159), these efforts now constitute sector-wide involvement.

The decentralization portfolio in Egypt was evaluated during FY 1984-85. The decentralization program provided a variety of small-scale infrastructure development projects in rural and rural-urban areas of Egypt, with emphasis on local participation in the decision-making process. The evaluations identified considerable project success, and emphasized the importance of institutionalization, operations and maintenance, and local revenue generation for the program to be sustainable. The findings from these evaluations will be incorporated into the follow-on Local Development II (263-0182) program now under design.

The $2.8 billion Egypt Commodity Import Program (CIP) was evaluated during FY 1985. The findings were that the program is efficiently managed and, given the profusion and complexity of CIP objectives, time and resource constraints, the CIP has had a "remarkable record of success." Recommendations from this evaluation deal with the appropriateness of imports, efficiency measures, and information systems that will improve program management and development impact. Lessons learned and experience gained from the implementation of the Egypt CIP have been incorporated into the design of the Jordan CIP.

The Production Credit project (263-0147) seeks to insure foreign exchange availability to the Egyptian private sector. The FY 1985 evaluation of this project recommended an active policy dialogue with the government on the need to address interest rate distortions that inhibit the flow of available credit into longer term productive investments, particularly in areas where Egypt has a comparative advantage and export potential.

Finally, the interim evaluation of the Water Systems and Services Management project (278-0259) in Jordan successfully tested a model for effective transfer of U.S. architectural and engineering technology to Jordanian private sector consulting engineers, which will be replicated in other countries.

New Program Emphases

Projects in the Near East and North Africa portfolio are oriented as heavily as possible towards policy dialogue, technology transfer, institution building, and the private sector.

In Egypt, A.I.D. is encouraging policy reform in the energy sector, including the rationalization of electricity prices and operation and maintenance. In addition, a detailed energy conservation program is under design, and work is under way on development of alternative energy resources and on administrative improvements in the energy sector. A.I.D. will finance the engineering and construction of another major thermal power plant of 1,200 MW capacity and connections to the national power grid. Policy reform is a feature of A.I.D. assistance in water and sewer development as well. A major effort (263-0173) will continue in FY 1987 to improve sewerage capacity in Cairo. Also in Egypt, A.I.D. will expand its intermediate credit project which lends to the private sector. In Morocco, a new Agricultural Inputs project (608-0192) will support liberalization of fertilizer distribution and multiplication of selected seed.

The Cross-Sectoral Development Training project (664-0333) in Tunisia will strengthen government and private institutions through short term, job-oriented training. The Agriculture Development and Support project (297-0052) in Yemen is providing technical assistance to the Ministry of Agriculture to develop its capacity to deal with policy, operational, and procedural needs of agricultural development.

Morocco's Renewable Energy project (608-0159) is achieving significant transfer of scientific methodologies and techniques. The project is replicating biomass pilot projects, installing wind power pilot projects, studying major refuse-derived fuel programs, and conducting a matching grant program for private sector renewable energy applications. The Water Systems and Services Management project (278-0259) in Jordan transfers U.S. technology and training to strengthen Jordanian public and private sector abilities to protect, conserve, deliver and manage known water resources.

ASIA AND NEAR EAST

Use of Deob-Reob Authority:

FY 1985 Reobligations:

Country	Amount
Bangladesh	$70,000
Burma	280,000
Indonesia	1,265,000
Morocco	357,833
Philippines	2,150,335
Thailand	108,599
TOTAL ANE BUREAU	$4,231,767

FY 1986 Reobligations as of December 31, 1985:

Country	Amount
Indonesia	$560,000

FY 1985 Deobligations Available for Reobligation as of December 31, 1985

Country	$000/Account	
Egypt	28,843	ESF (G)
Indonesia	804	ARDN (G)
	7,777	ARDN (L)
	76	EHRD (G)
	2,172	EHRD (L)
	534	POP (L)
	61	SDA (G)
	11,424	
Lebanon	481	SDA (G)
Philippines	381	ARDB (G)
	7,867	ARDN (L)
	82	HE (G)
	9,620	HE (L)
	266	EHRD (G)
	3,713	POP (L)
	170	SDA (G)
	522	SDA (L)
	12,500	ESF (G)
	35,121	
Sri Lanka	1,050	ARDN (G)
	2,000	ARDN (L)
	300	HE (G)
	2,558	HE (L)
	5,908	
Thailand	806	ARDN (G)
TOTAL ANE BUREAU	82,583	

AFGHANISTAN

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                                          FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (306) AFGHANISTAN

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     15,056

PER CAPITA GNP.......... (DOLLARS,   .)           .

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.5%

ANNUAL RATE OF INFLATION (    .- .)   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 36.8  MALE 35.5  FEMALE 38.1
                     (1970)   TOTAL 36.2  MALE 35.8  FEMALE 36.5

ADULT LITERACY RATE  (1980)   TOTAL  20%  MALE  33%  FEMALE   6%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -2.5%

AGRICULTURAL PRODUCTION AS % OF GDP.............(    .)     .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        44


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,CORN ,BARLEY                       85%   (1984)
  CASH: COTTON ,VEGETABLES ..                             7%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,NUTS ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1979)    60%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (    .)            . ( .)            . ( .)           .
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (    .)            . ( .)            . ( .)           .
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (    .)            . ( .)            . ( .)           .
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % ( .)   . % ( .)   . %
  AS % OF GNP................. (    .)   . % ( .)   . % ( .)   . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)   258 (83)   214 (84)   229
  EQUIVALENT TO   .  MONTHS OF IMPORTS (    .)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(    .)NATURAL GAS    ,CARPETS        ,DRIED FRUITS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   11  (1983)    8  (1984)   13
   AS % OF TOTAL EXPORTS (    .)    .% (    .)    .% (    .)   .%

MAJOR IMPORTS(    .)

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   11  (1983)    6  (1984)    8
   AS % OF TOTAL IMPORTS (    .)    .% (    .)    .% (    .)   .%

TRADE BALANCE($ MILLIONS, U.S.)(    .)       .( .)       .( .)

TRADING PARTNERS: USSR ,PAKISTAN ,INDIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1978)    60.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1978)    52
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    .)    . %
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   2.5% (1978)   1.9% (1985)  2.4%

POPULATION IN URBAN AREAS............(1970)    11%   (1985)   18%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1976)  2.0%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 45.4% (15-64YRS) 52.3% (65+ YRS)  2.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 182

PEOPLE PER PHYSICIAN................ (1978) 16,728

MAJOR CAUSES OF
DISEASE (1981) INTESTINAL INFEC,FOOD POISONING  ,TUBERCULOSIS
DEATH.. (1975) ENTERIC DISEASE ,DYSENTERY       ,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    90%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  10%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  44.5   MALE  71.1    FEMALE  16.9
SECONDARY....... (1981)  TOTAL   7.1   MALE  10.2    FEMALE   2.2
POST SECONDARY.. (1979)  TOTAL   1.3   MALE   2.2    FEMALE   0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      385%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY AFGHANISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	-	-	-	-	-	537.2	45.4	491.8
Loans	-	-	-	-	-	117.4	45.4	72.0
Grants	-	-	-	-	-	419.8	-	419.8
a. A.I.D. and Predecessor Agencies	-	-	-	-	-	340.4	31.1	309.3
Loans	-	-	-	-	-	84.6	31.1	53.5
Grants	-	-	-	-	-	255.8	-	255.8
(Economic Support Fund)	-	-	-	-	-	25.4		
b. Food for Peace (PL 480)	-	-	-	-	-	177.9	14.3	163.6
Loans	-	-	-	-	-	32.8	14.3	18.5
Grants	-	-	-	-	-	145.1	-	145.1
Title I - Total Sales Agreements	-	-	-	-	-	32.8	14.3	18.5
Repayable in U.S. Dollars - Loans	-	-	-	-	-	29.8	12.6	17.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.0	1.7	1.3
Title II - Total Grants	-	-	-	-	-	145.1	-	145.1
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	142.8	-	142.8
Voluntary Relief Agencies	-	-	-	-	-	2.3	-	2.3
c. Other Economic Assistance	-	-	-	-	-	18.9	-	18.9
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	18.9	-	18.9
Peace Corps	-	-	-	-	-	18.8	-	18.8
Narcotics	-	-	-	-	-	*	-	*
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	5.6	-	5.6
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	5.6	-	5.6
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	5.6	-	5.6
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	-	-	542.8	45.4	497.4
Loans	-	-	-	-	-	117.4	45.4	72.0
Grants	-	-	-	-	-	425.4	-	425.4
Other U.S. Government Loans and Grants	-	-	-	-	-	64.8	75.5	10.7-
a. Export-Import Bank Loans	-	-	-	-	-	64.3	75.0	10.7-
b. All Other Loans	-	-	-	-	-	0.5	0.5	-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	0.8	6.3	0.0	447.7
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.3
IDA	0.0	0.0	0.0	226.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	95.1
AFDB	0.0	0.0	0.0	0.0
UNDP	0.8	6.3	0.0	90.0
OTHER-UN	0.0	0.0	0.0	35.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

AFGHANISTAN	CY 1982	CY 1983	CY 1978-83
United States	-	-	24.0
Germany, Fed. Rep.	3.6	3.3	45.0
Japan	0.1	0.1	18.1
Canada	-		13.6
United Kingdom	0.1	0.3	6.8
Other	3.3	8.0	24.2
Total	7.1	11.7	131.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.1	0.3	57.10

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	370	325	3,215
Eastern Europe	-	Negl.	210
Total	370	325	3,425

AFGHANISTAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
	0.543*	17.812**	15.0

*Excludes $3,369,000 in Disaster Relief Funds.
**Includes $3,457 of deobligated FY 1985 funds available for reobligation in FY 1986.

Country Narrative

The Soviet invasion of Afghanistan in December 1979 aroused immediate opposition which has spread throughout the country and continues today in the form of a nationwide insurgency against the Soviets and the Karmal regime (Democratic Republic of Afghanistan-DRA). Despite widespread military action, brutal bombings of villages, hamlets and nomad camps, destruction of crops and livestock, and reprisals against non-combatants as a means of wearing down civilian support for the resistance, the "mujahidin" have mounted a fierce and increasingly effective opposition, inflicting mounting losses on the Soviet invaders and the DRA army. The Afghan civilians in the countryside and many of the towns and cities continue to support the mujahidin, but have increasing need for humanitarian assistance to sustain themselves in Afghanistan.

In their fight for national survival, the Afghans are paying a terrible price. More than 3.5 million people -- about 20% of the 1979 Afghan population -- have become refugees in Pakistan, Iran and elsewhere. The Government of Pakistan estimates that 2.6 million Afghan refugees are in Pakistan, constituting the world's largest refugee population.

The Soviet invasion has completely disrupted the economic life in Afghanistan, one of the world's most isolated and economically underdeveloped countries. As war has raged through the agricultural valleys, whole villages and farms have been deliberately destroyed. Agricultural infrastructure, including the vitally important irrigation system, has been severely damaged, in some cases irreparably. Resulting serious food shortages have required foodgrains to be imported by the Soviets and by ordinary Afghans, but distribution problems are serious. In October 1983 the Karmal regime itself reported that 75% of the public transportation vehicles, all communication cables, and significant numbers of other public installations had been destroyed. Afghans displaced in the countryside by combat are particularly vulnerable to food shortages and disease.

The medical situation is horrendous. In Afghanistan, thousands are killed, maimed and wounded each year with little hope of treatment. Public health is worse, and terribly aggravated by nutrition problems.

Education has deteriorated considerably -- from substandard to non-existent in most areas -- since the Soviet invasion. The public schools run by the regime have closed everywhere except in a few major cities. Perhaps 80% of the Afghan teachers have been executed or imprisoned or have fled the country; thousands of Afghans have been sent for "study" to the Soviet Union.

AFGHANISTAN

The outlook for the immediate future of Afghanistan is grim; the expectation is that the fighting will continue. The Soviets seem intent on a long-term strategy based on maintaining the regime in Kabul, wearing down the resistance, and "Sovietizing" the Afghan government, economy, society, and people. The mujahidin appear willing to pay the heavy cost of continuing their struggle. They show no sign of weakening in their resolve.

U.S. Interests and Objectives

The U.S. strongly opposes the continuing Soviet occupation and strongly supports the United Nations General Assembly's calls for a negotiated political settlement based on four principles: (1) complete withdrawal of Soviet troops; (2) restoration of an independent and non-aligned Afghanistan; (3) self-determination for the Afghan people; and (4) return of the refugees in safety and honor. United States actions are aimed at keeping the pressure on the Soviets to negotiate a political solution. On the ground the resistance fighters maintain this pressure. Humanitarian assistance to the civilian population enables them to continue to live inside their own country and support the resistance fighters.

A.I.D. Assistance Strategy

The immediate objective of A.I.D. humanitarian assistance for the Afghans is to improve the ability of the Afghans to sustain themselves inside Afghanistan. In alleviating the suffering of the people in "free" areas of Afghanistan, A.I.D. seeks to address some of the factors forcing rural Afghans to emigrate to urban areas or to refugee camps. Eventually, we hope to reduce the flow of refugees and ultimately to encourage the voluntary repatriation of Afghans to resistance-controlled areas. By helping the Afghans gradually to develop networks of resistance social services, our assistance will also enable the mujahidin to protect and take care of the people who support them.

A.I.D. Program (FYs 1985-1986)

The Afghan refugees in Pakistan are supplied with food, shelter, clothing and medicine by Pakistan and the international community primarily through the U.N. High Commissioner for Refugees (UNHCR) and the World Food Program. Major contributors to the relief program are Saudi Arabia and other Arab states of the Gulf, Japan, Western Europe, and the United States. The U.S. Government contributed about $67 million for the Afghan refugees in fiscal year 1985, including over $38 million through the World Food Program. This was approximately one-third the total international contribution for Afghan refugee relief. To date, total U.S. contributions to the Afghan refugee relief program exceed $430 million.

In addition to U.S. funding for the care and maintenance of Afghan refugees in Pakistan, A.I.D. made $8 million available in FY 1985 for short-term humanitarian relief for war-affected Afghans in Afghanistan. This has included $4 million of medical and medically related supplies, and food aid inside Afghanistan disbursed by the Office of Foreign Disaster Assistance (OFDA). A second $4 million tranche (Asia Near East Regional project 398-0290) is funding additional food and medical assistance, a comprehensive series of medical training projects for Afghans in Pakistan, and education and other projects. U.S. and international private voluntary organizations (PVOs) are working in Pakistan and Afghanistan to implement these projects.

Beginning in FY 1986, A.I.D. is initiating a long-term program of cross-border humanitarian assistance. A.I.D. intends to provide $15 million of Economic Support Funds which have been earmarked for this purpose by Congress in the FY 1986 Foreign Assistance Act. While most of the program will focus on war-affected Afghans in Afghanistan, some assistance, e.g., training, will be provided in Pakistan. The Government of Pakistan's courageous and strong opposition to the Soviet occupation of Afghanistan is expected to continue to support this new initiative.

Though still in the design phase, the new program is expected to include:

> In the Technical Services and Support project (306-0200), A.I.D. intends to assist the Government of Pakistan and the Afghanistan resistance to identify, develop and evaluate priority humanitarian assistance projects which will improve the ability of Afghans in "free" areas to sustain themselves within Afghanistan. This project will provide the needed technical advisory services, auxiliary equipment and local institutional support needed for the effective development and implementation of discrete projects. The project also will fund small activities which do not warrant separate project status. Seed money to establish relationships between U.S. institutions and resistance institutions and agencies will also be considered.
>
> The Private Voluntary Organization (PVO) Co-Financing project (306-0201) will include funding for a variety of PVO sub-projects. Mainly cross-border humanitarian activities incorporating, where possible, small-scale development, these sub-projects will be relatively simple in design and lend themselves to quick implementation. They will fall within priority sectors for A.I.D. assistance such as health, food and nutrition, education and human resource development.
>
> Health: A.I.D. intends in the Health Sector Assistance project (306-0203) to develop extensive curative health services for war-related injuries as well as normal medical needs and preventive services for basic public health, including maternal and child care (MCH). These services will greatly expand what is now available in-country. It may also include coordination mechanisms and support systems within Pakistan which will provide logistics support for health units in Afghanistan, including commodities required for emergency

health interventions, immunization equipment, medicines, and bandages. Public health measures for Afghans remaining in Afghanistan will address respiratory infections, tuberculosis, malaria, parasitic diseases and oral rehydration therapy for children under five suffering from diarrheal dehydration. Para-medical training, including first-aid and basic public health training, will be furnished.

Education: Under the Education Sector Assistance project (306-0202), A.I.D. intends to support, improve and expand existing lower and middle schools and to develop secondary school activities in resistance-controlled areas of Afghanistan. If funding permits, new activities will also begin in areas not presently covered by ongoing education activities. Ongoing and new education interventions will address the near total lack of education services in many areas controlled by the resistance. Activities may include basic training of teachers; provision of textbooks, slates, and other school supplies; limited funding of teacher stipends; and, if necessary, funding of modest school construction and repair costs. The development of some functioning basic education services in resistance-controlled areas of rural Afghanistan may forestall the possibility of a completely illiterate generation of rural Afghans. This effort is essential given the Soviet Union's continued attempt to indoctrinate young Afghans in communist ideology.

Agriculture: The majority of rural Afghan households rely on crop production and livestock as the principal source of income. Alternative sources of income are few given the war in the countryside. Most of the means of agricultural production has been destroyed or lost. A.I.D. seeks through the Agricultural Sector Assistance project (306-0204) to increase basic agricultural self-sufficiency through the provision of agricultural extension and technical assistance. To increase the availability and accessibility of food and animal transport within Afghanistan, A.I.D. intends to improve livestock management by replenishing livestock and through effective veterinary coverage, making available proper feed and improving feeding techniques, breeding, providing extension and outreach services, and procuring pack animals to transport humanitarian supplies.

Commodity Support: In response to widespread destruction of the basic means of production in rural Afghanistan, A.I.D. intends under the Commodity Support project (306-0205) to make available food and a wide range of humanitarian goods including many domestically-produced Pakistani products. Assistance will include procurement services, storage and warehousing facilities and creation of a commodity distribution network. Commodities to be procured may include agricultural inputs and commodities (seeds, pesticides, fertilizer, and farm implements), food, pharmaceuticals and medical supplies for use by people and animals, clothing, blankets, tents and other goods. Provision of farm implements and seeds will facilitate increased crop production and provide immediate benefits to those still able to farm the land.

A key element of our response to the international Afghanistan problem is the encouragement of continued and expanding humanitarian assistance for the Afghans by European and other western and non-aligned donors. Private voluntary organizations, U.S.-based or other, are expected to play a significant role in implementing this program. In all aspects of the assistance program, A.I.D. will respect the sensitivities of the Afghan people themselves and of the Pakistanis whose understanding is essential for the success of this humanitarian program.

An Office of the A.I.D. Representative for Afghanistan Affairs, staffed by career A.I.D. Foreign Service Officers, has been established in Islamabad to administer the program.

Requested Year Program (FY 1987)

A.I.D. will continue funding for the new projects being developed in FY 1986.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: AFGHANISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
ECONOMIC SUPPORT FUND												
TECHNICAL SERVICES AID SUPPORT	G	306-0200	86	C	---	---	---	---	800	700	800	700
PVO CO-FINANCING	G	306-0201	86	90	---	6,000	---	---	965	350	1,200	900
EDUCATION SECTOR ASSISTANCE	G	306-0202	86	89	---	13,000	---	---	3,250	1,250	3,250	2,700
HEALTH SECTOR ASSISTANCE	G	306-0203	86	89	---	13,000	---	---	3,250	1,250	3,250	2,700
AGRICULTURE SECTOR ASSISTANCE	G	306-0204	86	89	---	13,000	---	---	3,055	1,250	3,250	2,700
COMMODITY SUPPORT	G	306-0205	86	89	---	13,000	---	---	3,055	2,500	3,250	3,000
AFGHANISTAN PVO SUPPORT	G	398-0290	85	86	4,000	4,000	543	24	3,457	3,976	---	---
TOTAL FOR ACCOUNT					4,000	62,000	543	24	17,812	11,276	15,000	12,700
GRANTS					4,000	62,000	543	24	17,812	11,276	15,000	12,700
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					4,000	62,000	543	24	17,812	11,276	15,000	12,700
GRANTS					4,000	62,000	543	24	17,812	11,276	15,000	12,700
LOANS					---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

BANGLADESH

45

COUNTRY: (388) BANGLADESH

FY 87 CP ECONOMIC AND SOCIAL DATA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 101,408

PER CAPITA GNP.......... (DOLLARS,1983) 130

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 0.5%

ANNUAL RATE OF INFLATION (1973-83) 9.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 6.8%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 50.0	MALE 49.4	FEMALE 50.5
(1970)	TOTAL 44.9	MALE 45.6	FEMALE 44.1

ADULT LITERACY RATE (1981) TOTAL 29% MALE- 40% FEMALE 18%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -0.8%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983) 47%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 955

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,WHEAT ,POTATOES	83%	(1984)
CASH: JUTE ,SUGARCANE ,TEA	5%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) JUTE .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980) 74%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1977) 1,036 (78) 1,445 (79) 1,551

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1977) 1,022 (78) 1,160 (79) 1,495

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1977) 14 (78) 285 (79) 56

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1977) 10.7% (78) 9.9% (79) 7.6%
AS % OF GNP................. (1977) 1.6% (78) 1.3% (79) 1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
($MILLIONS, U.S.) (1982) 207 (83) 542 (84) 406
EQUIVALENT TO 1.4 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)JUTE ,LEATHER ,TEA

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 78 (1983) 104 (1984) 129
AS % OF TOTAL EXPORTS (1982) 11% (1983) 15% (1984) 14%

MAJOR IMPORTS(1983)FOODGRAINS ,FUELS ,RAW COTTON

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 209 (1983) 272 (1984) 213
AS % OF TOTAL IMPORTS (1982) 10% (1983) 15% (1984) 9%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -1,448(83) -1,223(84)-1,431

TRADING PARTNERS: UNITED STATES ,JAPAN ,SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 63.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)................................. (1983) 143
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 19.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 3.0% (1985) 2.7%

POPULATION IN URBAN AREAS............(1970) 8% (1985) 14%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1985) 44

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 19.1%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 44.3% (15-64YRS) 53.1% (65+ YRS) 2.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 140

PEOPLE PER PHYSICIAN................ (1979) 10,936

MAJOR CAUSES OF
DISEASE (1981) LEPROSY ,INTESTINAL INFEC,TUBERCULOSIS
DEATH.. (1975) TUBERCULOSIS ,ENTERIC DISEASE ,CHOLERA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 75%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 38%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.........	(1984)	TOTAL	54.0	MALE	66.3	FEMALE	41.0
SECONDARY.......	(1981)	TOTAL	19.8	MALE	31.0	FEMALE	7.7
POST SECONDARY..	(1980)	TOTAL	2.3	MALE	3.8	FEMALE	0.7

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983) 61.2%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BANGLADESH

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	157.3	152.1	172.5	172.3	193.2	1989.4	159.2	1830.2
Loans	124.4	50.5	64.0	60.0	81.0	791.4	159.2	632.2
Grants	32.9	101.6	108.5	112.3	112.2	1198.0	-	1198.0
a. A.I.D. and Predecessor Agencies	80.3	80.0	74.4	78.9	77.0	1059.9	34.8	1025.1
Loans	50.0	-	-	-	13.0	226.8	34.8	192.0
Grants	30.3	80.0	74.4	78.9	64.0	833.1	-	833.1
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	77.0	72.1	98.1	93.4	116.2	929.5	124.4	805.1
Loans	74.4	50.5	64.0	60.0	68.0	564.6	124.4	440.2
Grants	2.6	21.6	34.1	33.4	48.2	364.9	-	364.9
Title I – Total Sales Agreements	74.4	50.5	64.0	60.0	68.0	564.6	124.4	440.2
Repayable in U.S. Dollars – Loans	74.4	50.5	64.0	60.0	68.0	564.6	123.3	441.3
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	1.1	1.1-
Title II – Total Grants	2.6	21.6	34.1	33.4	48.2	364.9	-	364.9
Emerg. Relief, Econ. Develop. & World Food Program	0.7	1.2	16.4	18.7	30.8	248.7	-	248.7
Voluntary Relief Agencies	1.9	20.4	17.7	14.7	17.4	116.2	-	116.2
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	157.4	152.2	172.7	172.5	193.5	1990.8	159.2	1831.6
Loans	124.4	50.5	64.0	60.0	81.0	791.4	159.2	632.2
Grants	33.0	101.7	108.7	112.5	112.5	1199.4	-	1199.4
Other U.S. Government Loans and Grants	-	74.3	-	-	14.7	92.9	75.9	17.0
a. Export-Import Bank Loans	-	-	-	-	-	4.0	6.1	2.1-
b. All Other Loans	-	74.3	-	-	14.7	88.9	69.8	19.1

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL........	711.3	779.5	449.8	5296.4
IBRD	0.0	0.0	0.0	54.9
IFC	3.9	0.0	4.0	12.8
IDA	367.3	393.1	266.0	3207.7
IDB	0.0	0.0	0.0	0.0
ADB	308.1	377.3	179.8	1755.7
AFDB	0.0	0.0	0.0	0.0
UNDP	32.0	8.9	0.0	114.1
OTHER-UN	0.0	0.0	0.0	149.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

BANGLADESH	CY 1982	CY 1983	CY 1978-83
United States	193.0	205.0	1,023.0
Japan	215.9	104.7	1,006.5
Germany,Fed. Rep.	82.7	35.3	853.5
United Kingdom	40.2	37.5	455.9
Canada	88.2	87.5	443.2
Other	213.0	119.3	1,154.5
Total	832.9	589.3	4,936.6

2. OPEC COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
129.5	N.A.	274.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	75	-	435
Eastern Europe	-	-	685
Total	75	-	1,120

BANGLADESH

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans		-	-	-	-	-	-	-
Grants	85,070	47,770	32,000	-	300	-	-	5,000 1/
Total	85,070	47,770	32,000		300			5,000
1986								
Loans		-	-	-	-	-	-	-
Grants	75,000	40,700	29,000	2,000	300	1,000	-	2,000 1/
Total	75,000	40,700	29,000	2,000	300	1,000		2,000
1987								
Loans		-	-	-	-	-	-	-
Grants	75,000	40,000	29,000		2,000	1,500	-	2,500 1/
Total	75,000	40,000	29,000		2,000	1,500		2,500

1/ Child Survival Funds

~~1987~~
FY
PROGRAM HIGHLIGHTS

- Continued support for government and private organizations' family planning service delivery programs, as well as new initiatives to stimulate demand for services, at $29 million.
- Support to strengthen Bangladesh's agricultural and forestry research system, at $8 million.
- Initiate a new multi-year PL 480 Title III program designed to improve foodgrain and agricultural policies.
- Continue to provide such rural infrastructure as farm-to-market roads and electricity through the PL 480 Title II and DA programs.
- Continue efforts to promote small, labor-intensive enterprises.
- Continue the privatization of fertilizer distribution through a national wholesale network, at $12 million.

BANGLADESH

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	1,286	10,000	3,000
Grants	104,161	80,000	82,000
Total AID	105,447	90,000	85,000
P.L. 480 **			
Title I	94,500	70,000	64,000
(of which Title III is)	(94,500)	(70,000)	(64,000)
Title II	18,968	16,799	16,323
Total P.L. 480	113,468	86,799	80,323
Total AID and P.L. 480	218,915	176,799	165,323

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	395,000	54,500	308,000	40,000	318,000	41,000
Rice	75,000	20,000	35,000	10,000	14,000	4,000
Feedgrains	-	-	-	-		
Vegoil	14,000	10,000	16,000	10,000	19,000	10,000
Non-food	7,000	10,000	7,000	10,000	6,000	9,000
Title I Total	491,000	94,500	366,000	70,000	357,000	64,000
(of which Title III is)	-	94,500	-	70,000	-	64,000
Title II 1/						
Voluntary Agencies	120,000	18,968	120,000	16,799	120,000	16,323
Government - to - Government	-	-	-	-	-	-
Title II Total	120,000	18,968	120,000	16,799	120,000	16,323
Total P.L. 480	611,000	113,468	486,000	86,799	477,000	80,323

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

percent of power distributed in the Rural Electrification II project (388-0054)is consumed by rural industries and commercial businesses. The Rural Electrification III project (388-0070) will continue this successful program. Technical assistance provided under the project will focus on improving the financial viability of the rural electrification cooperatives by reducing price subsidies, increasing the density of service, and improving management capability.

In the Feeder Roads Maintenance & Improvement project (388-0056), discussed above, A.I.D. has begun to assist the BDG institutionalize a routine road maintenance program which provides substantial short-term employment. This program will also ensure that rural assets are maintained and a reliable transportation system is developed.

D. Human Resources

Acknowledging that policy and institution-building efforts can only be effective if supported by a strong human resource base, A.I.D. uses the Technical Resources project (388-0027) to finance a limited amount of U.S. and third country training in areas that are not included in our bilateral projects.

Requested Year Program (FY 1987)

Development Assistance grant funds are requested to fund increments of on-going projects as well as three new projects, two of which are follow-on activities.

A. Reducing Fertility

The Population & Family Planning project (388-0071) will continue the activities begun under the Family Planning Services project (388-0050) providing support to governmental and non-governmental programs delivering a wide range of family planning and health services. A comprehensive evaluation of the current project performed in FY 1986 will assist A.I.D. in the refinement of service delivery activities. It will also explore ways to increase the demand for fertility reduction including expansion of female education and employment opportunities.

B. Increasing Agricultural Productivity

FY 1986 funding will finance such on-going activities as Fertilizer Distribution Improvement II (388-0060), Homestead Agro-Forestry (388-0062), Rural Electrification III (388-0070), and Feeder Roads Maintenance & Improvement (388-0056). Additional funding is requested for a multi-year amendment beginning in FY 1987 to Agricultural Research II (388-0051) to strengthen the Bangladesh Agricultural Research Council's capability to manage effectively the nation's research system. This project will continue existing programs in grain production and improved irrigation techniques, as well as strengthen efforts recently begun in horticulture, agricultural policy initiatives that may form the basis for the new multi-year agreement expected to begin in FY 1987.

C. Expanding Employment Opportunities

An extremely high rate of unemployment and underemployment, fueled by a high population growth rate and stagnant per-capita agricultural productivity, is one of the most critical problems confronting Bangladesh. A.I.D. will continue to fund projects, as well as begin new initiatives, that seek to address the unemployment problem.

Enterprise Policy Reform (388-0067), initiated in FY 1985, is designed to provide both A.I.D. and the BDG with a better understanding of policy and institutional constraints that may hinder the development of labor-intensive small and medium size off-farm enterprises. The project constitutes the initial phase of a long-term A.I.D. commitment to enterprise development in Bangladesh, and is providing A.I.D. with information required to engage the BDG in a policy dialogue to remove those constraints. A.I.D. is funding a national economic census by the Bangladesh Bureau of Statistics which will generate benchmark and other data that can be used for further surveys of labor-intensive enterprises. Technical assistance funded under the Technical Resources project (388-0027) will be provided to the Bangladesh Planning Commission to conduct studies and recommend policies that will encourage the expansion of small enterprises. One example is a study of the potential of subcontracting systems in Bangladesh as facilitators for small scale enterprise development. The project will help define the parameters for A.I.D. involvement in the promotion of off-farm employment.

Enterprise Development (388-0066), beginning in FY 1986, will significantly expand the pilot activities of the non-governmental organization Micro-Industries Development Assistance Society (MIDAS), begun under the Rural Industries project (388-0042). A.I.D. believes that prospects for small enterprise development have greatly improved over the past few years as the BDG has moved toward greater reliance on private sector production and free markets. The new project will extend technical assistance and credit to establish and expand small labor-intensive enterprises, many with backward linkages to agriculture or forward linkages to export markets. Evaluations of the predecessor project demonstrated the effectiveness of MIDAS as a business consulting and credit vehicle and its exceptional loan repayment performance. Funds will be used to establish new MIDAS branch offices, as well as create two new divisions within MIDAS: (1) a Business Innovation Division, to identify new product lines, technologies, and marketing strategies; and (2) a Subcontracting Division to encourage commercial relationships between parent firms and small-scale subcontracting firms.

Evaluations of A.I.D.'s Rural Electrification I & II projects demonstrate a significant immediate increase in economic activity when rural areas gain access to electricity, as well as the expansion of irrigation. Seventy will for the first time be allowed to procure fertilizer from ports and factories, and compete with the government for national distribution. A.I.D. is supporting the new distribution system by financing fertilizer imports, credit for private distributors, technical assistance in distribution and marketing, and minor infrastructural improvements to increase access to ports, factories, and warehouses.

A.I.D. will continue to fund the Feeder Roads Maintenance & Improvement Project (388-0056), formerly called the Zila Roads Maintenance & Improvement Project. Serving as the link between farm-to-market (Food for Work) roads and the national highway system, these district level roads facilitate farmers' access to production inputs, credit and markets, as well as provide immediate employment benefits. The project will train an additional 150 engineers in road maintenance techniques and will demonstrate the benefits of a road maintenance system that can be replicated throughout the country.

PL 480

PL 480 programs in Bangladesh provide essential support to A.I.D.'s strategy to increase agricultural production and provide rural employment. The Food for Work (FFW) III project (388-0061), initiated in FY 1985, will continue a successful program of upgrading local foot paths and seasonal roads into farm-to-market roads that are accessible throughout the year. The FFW activity is an excellent example of how food commodities can be fully integrated into A.I.D.'s development program. The sales proceeds of supplemental PL 480 shipments financed a program of bridge and culvert construction on FFW roads, increasing their utility and development impact. Bridge and culvert construction will continue in both current and requested year programs.

The PL 480 Title III program for FY 1985, an extension of the multi-year agreement begun in FY 1982, financed the purchase of wheat, rice and other U.S. agricultural commodities. The on-going program is providing support for key policy reforms designed to improve the efficiency of the public food distribution system, reduce food subsidies and encourage domestic food production. Under the Title III agreement, the BDG has reduced foodgrain subsidis through increased ration prices, adopted a procurement program that supports producer prices and acquires domestic commodities for the reserve system, and strengthened the use of open market sales to moderate retail price changes. An evaluation performed in the fall of 1985 concluded that the government has performed well in meeting the goals of the program.

Local currency generated from Title III sales are used to finance agricultural research, irrigation, and other projects that move Bangladesh closer to the goal of foodgrain self-sufficiency.

In addition, during the course of FY 1986 a comprehensive Food and Agricultural Policy Study is examining the possibilities for new food and

B. Increasing Agricultural Productivity

The Agricultural Research II project (388-0051), begun in FY 1981, is an integral part of A.I.D.'s long-term commitment to developing agricultural research capabilities in Bangladesh. The project supports efforts to develop more productive crop varieties and cultivation practices by strengthening the institutional capacity necessary for technological advances and by decentralizing research to regional substations and farmers' fields. The objective is to diversify crop production and improve the efficiency of fertilizer use. In FY 1985, the Mission conducted an external evaluation of the Agriculture Research Program. This evaluation resulted in a revised Mission proposal for a project supplement to extend the Agricultural Research II project until 1991, focussing on a farming systems research approach. The evaluation team found that, while most of the project's objectives were being met, A.I.D.'s commitment to institutionalizing the national agricultural research capability requires sustained support over a longer period than originally envisaged.

In an effort to improve the quality of advanced agricultural training, funding from the Technical Resources project (388-0027) will be provided for technical assistance in curriculum design and agricultural extension from a Title XII university to the Bangladesh Institute of Post-Graduate Studies in Agriculture (IPSA). This program is jointly funded with the Japan International Cooperation Agency (J.I.C.A.).

The deforestation rate in Bangladesh is estimated to be significantly higher than the average for the Asia region. The Homestead Agro-Forestry Development project (388-0062), to begin in FY 1986, addresses the critical problem of rapidly depleting fuelwood supplies, especially for the rural poor. It will develop the BDG's capability to provide the assistance needed to significantly increase small farmers' production of trees, shrubs, bamboo and other ground cover. Bangladesh's forestry efforts have, until recently, focussed on the protection of reserve forests. A.I.D.'s project emphasizes homestead forestry, which provies 90 percent of all fuelwood used, and will introduce an agro-forestry component at existing cropping systems sites.

The Fertilizer Distribution Improvement II project (388-0060), initiated in FY 1984, continues a process begun by its predecessor project to increase fertilizer use through improvements in the marketing system, provisions of adequate fertilizer supplies, and increased national storage capacity. Under the first project, A.I.D. successfully negotiated the removal of government constraints on the operations of private-sector retailers, the elimination of officially administered retail prices, and the closure of a large number of government fertilizer sales centers. The current project focusses on the national level entry of private sector wholesalers into large-scale fertilizer distribution and marketing, elimination of fertilizer subsidies, and fertilizer dealer development and sales promotion. As a result of current BDG-A.I.D. policy dialogue, private distributors

Infusing the basic strategy is an active multi-faceted policy dialogue with particular emphasis on strengthening the role of markets and increasing the scope of private sector participation in the economy. Significant levels of assistance, combined with policy analysis and quality technical assistance, have created an atmosphere of mutual confidence that permits A.I.D. to advise and consult with the government in many of the most critical economic policy issues it faces. The broad impact of A.I.D.'s programs in Bangladesh can be measured best by the important and effective policy changes, described below, which have been supported by substantial U.S. assistance.

A.I.D. Program (FYs 1985-1986)

The current A.I.D. program advances the Mission strategy in the following ways:

A. Reducing Fertility

The Family Planning Services project (388-0050) addresses the Mission's priority program through grants to governmental and non-governmental population activities. To meet increasing demand for family planning services, A.I.D. financing for the government program continues to include commodities (contraceptives, surgical supplies and equipment), demographic research, maternal and child health training materials, contraceptive prevalence surveys, community-based family planning projects, participant training and local-cost financing of the voluntary sterilization program. A.I.D.'s active monitoring of voluntary sterilization services has helped ensure that both the quality of services and voluntary nature of the government's program are maintained. A.I.D.'s assistance to non-governmental organizations enables them to finance community-based distribution programs and voluntary sterilization clinics, maternal and child health/family planning clinics, and subsidized private sector marketing of contraceptives.

Higher contraceptive prevalence rates will eventually be contingent on expanded demand for fertility reduction. A.I.D. will continue to explore new social measures to broaden the market for family planning services.

The prototypical Social Marketing Project (SMP) has increased distribution of pills and condoms to retailers, improving access by the population to family planning services. Contraceptive sales through this retail sales program are, by definition, voluntary and based on consumer demand. Child Survival Funds finance a new national oral rehydration solution marketing program. A.I.D. funding will continue to the BDG, non-governmental organizations and retail sales programs. In addition, A.I.D. will collaborate with NGOs to provide more maternal and child health services.

BANGLADESH

U.S. Interests and Objectives

Bangladesh ranks as the world's eighth most populous country. Its extreme poverty, rapid population growth rate and geographic location in an historically troubled area command U.S. interest in the country's future.

Economic assistance to Bangladesh is the U.S. Government's (USG) principal means of supporting the interrelated objectives of orderly economic growth and stability. Stability is a necessary condition for continuing equitable development and contributes to the important U.S. goal of regional stability in South and Southeast Asia.

America's historic humanitarian concern requires our involvement in meeting the most basic needs of Bangladesh. But beyond the humanitarian aspect the United States has an interest in demonstrating that it is prepared to work effectively with those poor countries that are adopting sound economic policies in pursuit of development.

The present government is well-disposed toward the United States and continues to implement a far-reaching economic reform program including a flexible exchange rate policy, reduced subsidies, export promotion, trade liberalization and greater reliance on market mechanisms. The government is making significant reforms in administration and local government, looking toward a return to representative political institutions. National elections are tentatively scheduled for the first quarter of 1986. Sustained U.S. assistance is a critical element in supporting the government's pragmatic development policies and its efforts to move in an orderly fashion toward representative democracy.

A.I.D. Development Strategy

Recognizing that rapid population growth compounds the difficulties in meeting agricultural production and employment needs, A.I.D. continues to give highest priority in Bangladesh to the goal of reducing human fertility. The goal will be addressed by increasing the use of modern family planning methods delivered by governmental and non-governmental programs and stimulating additional demand for family planning and maternal child health services. Secondly, agricultural productivity must be increased to raise rural incomes and reduce the need for imported foodgrains. A.I.D. approaches this goal through development and dissemination of improved agricultural technologies; improving the supply and distribution of inputs; and development of key infrastructure and human resources. An additional and increasingly critical objective is the expansion of employment opportunities, through the development of small private enterprises, dissemination of appropriately labor-intensive agricultural technologies, a Food For Work public works program, improvements in financial markets, and development of selected infrastructure. A.I.D. will assist the BDG to create and sustain a policy and institutional environment that encourages the development of labor-intensive enterprises.

BANGLADESH

Development Overview

Bangladesh is one of the poorest countries in the world. Its per capita Gross National Product (GNP) is estimated at $130 and a Bangladeshi's physical quality of life ranks among the lowest in the world. Nearly 14 percent of infants die before the age of one year, life expectancy is 50 years, and literacy is estimated at only 29 percent. Malnutrition is endemic, especially in chronic food deficit districts.

Bangladesh is the world's most densely populated agrarian country, with over 1,700 people per square mile. A population growing at about 2.7 percent per year (doubling every 26 years) vitiates recent gains in agricultural production and postpones the Bangladesh Government's (BDG's) goal of foodgrain self-sufficiency. Intense population pressure on the country's fertile but finite land base is driving many Bangladeshis off the farm. While Bangladesh is still a predominantly rural, agricultural society, pressures on the land base have resulted in a rapid urban growth rate of about 5.6 percent per year. Overcrowding in rural areas has increased the number of rural households that are landless, now estimated at over 50 percent. Estimates of unemployment range from 23 to 42 percent, with annual labor force growth rates projected to rise from 2.8 per-cent in 1985 to 3.5 percent in the year 2000.- Each year about one million people enter the labor force. The agricultural sector cannot absorb significant additional labor and non-agricultural employment opportunities are also extremely limited. An unskilled human resource base, limited physical infrastructure, lack of natural resources, and inadequate capital combine to retard industrial growth rates. The country suffers from recurrent climatic disasters, ranging from excessive flooding to drought.

However, there have been a number of very encouraging signs in recent years. A rapid expansion in irrigation has led to increased cropping intensity, adoption of higher yielding crop varieties and improved agricultural technology packages. In addition, sound government policies have mitigated the damaging effects of weather on agricultural production, and prevented great potential human suffering from natural disasters. The superior performance of non-governmental organizations in delivering family planning services is setting a good example for the BDG's population program which has also shown significant improvement in recent years. The government shows it is thoroughly aware of the magnitude of the unemployment problem by placing highest priority in its Third Five-Year Plan on the need to generate new productive off-farm employment opportunities. In addition, the continued willingness of the government to make sound macro-economic policy decisions will increase the country's capability to utilize both domestic and external financial resources more efficiently. However, given the low base from which the country is starting, Bangladesh will continue to be an appropriate recipient of foreign assistance for the foreseeable future.

BANGLADESH

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	37	34	32
PASA[b]	1	1	1
TOTAL	38	35	33

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	18	53	71	22	56	78	23	67	90
Regional[e]	–	–	–	–	1	1	–	1	1
TOTAL	18	53	71	22	57	79	23	68	91

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	17	96	113	17	57	74	2	72	74
Regional[e]	20	–	20	13	–	13	10	–	10
TOTAL	37	96	133	30	57	87	12	72	84

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

livestock feed and tillage practices. Current farming systems research trials will be more closely linked to the national extension system. Curricula at the agricultural university and training institutes will be updated to incorporate farming systems research as a research and extension methodology.

In FY 1987, A.I.D. plans to initiate a PVO Co-Financing project (388-0072). The project will fund activities of both indigenous and U.S. private organizations that provide a broad range of services directly to the most economically and socially disadvantaged. The large PVO community in Bangladesh has worked effectively with the poor, and direct grants will be made to support a number of PVO activities. A.I.D. will also provide funds and technical assistance to the Association of Development Agencies in Bangladesh (ADAB), a consortium of all PVOs working in Bangladesh, to permit ADAB to assist PVOs improve their project design, implementation and evaluation capabilities as well as management and accounting skills. While agriculture, rural development and nutrition will be emphasized, education and selected development activities funds will also be used.

The PL 480 Title II Food for Work project (388-0061), managed by the U.S. PVO CARE. will continue to finance such small rural infrastructure projects as feeder roads and bridges which are currently providing seasonal employment to over 800,000 landless rural poor.

C. Expanding Rural Employment

Incremental funding is requested for the on-going Rural Electrification, Enterprise Development, and Food for Work III projects that will continue to stimulate off-farm employment opportunities. Additional funding under the Technical Resources project (388-0027) is requested to continue technical assistance to the Planning Commission. (See description above).

D. Human Resources

The Development & Management Training project (388-0068), beginning in FY 1986, greatly expands A.I.D.'s ability to provide quality in-country and U.S. education in public administration, management, business administration, and economics. Training will be focussed at the entry and middle levels of both public and private sector organizations. The project will also strengthen local management and public administration training institutions.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BANGLADESH

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
RURAL ELECTRIFICATION		L	388-0021	78	80	34,000	34,000	34,000	33,716	---	---	---	---
FERTILIZER DISTRIBUTION IMPROVEMENT		G	388-0024	78	83	203,000	193,210	193,210	187,726	---	5,484	---	---
FERTILIZER DISTRIBUTION IMPROVEMENT		L	388-0024	78	83	32,000	32,000	32,000	30,356	---	1,665	---	---
TECHNICAL RESOURCES		G	388-0027	79	88	9,650	13,150	7,350	2,937	2,300	1,500	1,500	2,000
RURAL FINANCE		G	388-0037	83	85	75,000	75,000	75,000	72,773	---	2,227	---	---
RURAL INDUSTRIES		G	388-0042	81	85	5,000	4,513	4,513	1,916	---	2,599	---	---
PVO CO-FINANCING II		G	388-0045	80	85	3,179	2,572	2,572	2,394	---	178	---	766
AGRO-CLIMATIC ENVIRONMENT MONITOR		G	388-0046	81	86	7,400	7,400	5,900	5,634	1,500	1,000	---	---
AGRICULTURAL RESEARCH II		G	388-0051	81	91	27,000	53,000	22,600	16,925	4,400	6,000	5,000	6,000
FOOD FOR WORK II (OPG)		G	388-0052	81	85	3,175	3,169	3,169	2,965	---	204	---	---
RURAL ELECTRIFICATION II		G	388-0054	81	88	50,000	50,000	50,000	27,408	---	19,000	---	3,592
FEEDER ROADS MAINTENANCE AND IMPROVEMENT		G	388-0056	81	87	9,200	20,200	9,200	6,752	5,000	2,000	6,000	3,000
FERTILIZER DISTRIBUTION IMPROVEMENT II		G	388-0060	84	88	52,000	52,000	1,000	---	15,000	500	12,000	12,000
FERTILIZER DISTRIBUTION IMPROVEMENT II		L	388-0060	84	88	13,000	13,000	13,000	---	---	5,342	---	3,000
FOOD FOR WORK III		G	388-0061	85	89	9,400	9,400	1,045	264	1,500	1,200	1,500	1,500
HOMESTEAD AGRO-FORESTRY RESEARCH		G	388-0062	86	91	---	18,000	---	---	3,000	2,000	3,000	3,000
ENTERPRISE POLICY REFORM		G	388-0067	85	86	3,000	3,000	1,500	2	1,500	1,292	---	1,200
RURAL ELECTRIFICATION III		G	388-0070	86	90	---	50,000	---	---	6,500	1,000	10,200	15,000
PVO CO-FINANCING III	*	G	388-0072	87	92	---	3,500	---	---	---	---	800	738

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BANGLADESH

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					536,004	637,114	456,059	391,666	40,700	56,171	40,000	51,816
GRANTS					457,004	558,114	377,059	327,594	40,700	46,184	40,000	48,816
LOANS					79,000	79,000	79,000	64,072	---	9,987	---	3,000
POPULATION PLANNING												
FAMILY PLANNING SERVICES	G	388-0050	81	86	153,336	147,784	115,778	74,479	29,000	32,500	---	36,684
POPULATION AND FAMILY PLANNING	* G	388-0071	87	91	---	160,000	---	---	---	---	29,000	1,000
TOTAL FOR ACCOUNT					153,336	307,784	115,778	74,479	29,000	32,500	29,000	37,684
GRANTS					153,336	307,784	115,778	74,479	29,000	32,500	29,000	37,684
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO CO-FINANCING II	G	388-0045	80	85	950	499	499	351	---	148	---	---
FAMILY PLANNING SERVICES	G	388-0050	81	86	1,530	1,530	1,530	1,272	---	258	---	---
BAVS MCH SERVICES (OPG)	G	388-0074	86	88	---	3,000	---	---	2,000	850	---	1,000
TOTAL FOR ACCOUNT					2,480	5,029	2,029	1,623	2,000	1,256	---	1,000
GRANTS					2,480	5,029	2,029	1,623	2,000	1,256	---	1,000
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												
FAMILY PLANNING SERVICES	G	388-0050	81	86	5,000	5,000	5,000	8	---	2,000	---	2,000
ICDDR/B URBAN VOLUNTEER PROGRAM (OPG)	G	388-0073	86	90	---	4,600	---	---	2,000	950	2,500	900
TOTAL FOR ACCOUNT					5,000	9,600	5,000	8	2,000	2,950	2,500	2,900
GRANTS					5,000	9,600	5,000	8	2,000	2,950	2,500	2,900
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
TECHNICAL RESOURCES	G	388-0027	79	88	1,350	1,350	1,050	505	300	350	---	300
DEVELOPMENT AND MANAGEMENT TRAINING	* G	388-0068	87	90	---	8,000	---	---	---	---	2,000	1,000

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: BANGLADESH

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT						1,350	9,350	1,050	505	300	350	2,000	1,300
GRANTS						1,350	9,350	1,050	505	300	350	2,000	1,300
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
KARNAPHULI THIRD UNIT		G	388-0018	76	81	700	700	700	502	---	198	---	---
ENTERPRISE DEVELOPMENT		G	388-0066	86	90	---	8,000	---	---	1,000	800	1,000	2,000
PVO CO-FINANCING III	*	G	388-0072	87	92	---	2,000	---	---	---	---	500	200
TOTAL FOR ACCOUNT						700	10,700	700	502	1,000	998	1,500	2,200
GRANTS						700	10,700	700	502	1,000	998	1,500	2,200
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						698,870	979,577	580,616	468,783	75,000	94,225	75,000	96,900
GRANTS						619,870	900,577	501,616	404,711	75,000	84,238	75,000	93,900
LOANS						79,000	79,000	79,000	64,072	---	9,987	---	3,000

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: BANGLADESH

PLANNED PROGRAM SUMMARY SHEET

Title Population and Family Planning		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 1987 29,000	Life of Project Funding 160,000	
Number 388-0071 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population 29,000	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1991	Estimated Completion Date of Project FY 1992

Purpose: To reduce fertility by (1) increasing the use of family planning methods; (2) stimulating increased demand for service; (3) delaying age of marriage.

Project Description: A.I.D.'s Family Planning Services project (388-0050) addressed the Bangladesh government's (BDG) highest development priority by providing grants to government and non-government family planning groups for commodities, demographic research, maternal and child health training materials, community-based distribution projects, local cost financing of the voluntary sterilization program, and a contraceptive retail sales program.

The proposed project will address the demand for family planning services by strengthening information, education and service delivery systems, e.g., the Ministry of Health and Population Control, decentralized administrative structures of other ministries, non-governmental organizations (NGOs), and commercial retail sales outlets participating in contraceptive social marketing. The project will focus on disseminating information and increasing the public's access to child spacing methods and voluntary sterilization while it builds on important lessons learned from the ongoing project. It will continue to reimburse selected costs of non-clinical and clinical contraceptive services, as well as finance contraceptives, technical assistance for logistics and supply, operational research in service delivery, and data-gathering and analysis for evaluation purposes, e.g., the contraceptive prevalence survey. The project will also focus on ways to reduce fertility,stimulate demand for family planning services, and delay the age of marriage through increased access for females to education, vocational training and work opportunities.

Relationship of Project to A.I.D. Strategy: At the currently estimated population growth rate of 2.7%, A.I.D. Bangladesh's population will double in 25 years, vitiating gains in agricultural production and productive employment opportunities. A.I.D. thus supports the crucial goal of reducing fertility by both meeting existing demand for family planning services and stimulating greater demand through expansion of female education and employment opportunities.

Host Country and Other Donors: The IBRD and a consortium of other donors, UNFPA and the Asian Development Bank finance family planning infrastructure, training, contraceptives and technical assistance. A local consultative group of donors meets periodically with the government to discuss family planning program priorities and strategies.

Beneficiaries: Married couples of reproductive age will benefit from the family planning service delivery effort. Young, unmarried females are the beneficiaries of activities to delay age of marriage and fertility. Expected reductions in fertility will improve the health of women and children and enable young people to pursue options of education/employment in place of child-bearing at an early age.

Major Outputs:

A variety of voluntary family planning services including information, marketing efforts, research and commodities.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Commodities; technical assistance for logistics and supply; operational research and evaluative data gathering/analysis; program support to NGOs and BDG	$160,000

U. S. FINANCING (In thousands of dollars)			
	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	29,000	131,000	160,000

Principal Contractors or Agencies

To be determined

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: BANGLADESH

Title Development and Management Training		**Funding Source**	**AG, RD & N**	**Health**	**PROPOSED OBLIGATION** *(In thousands of dollars)* FY 1987 2,000	**Life of Project Funding** 8,000
Number 388-0068 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	**Population**	**ED. & HR** 2,000	**Sel. Act.**	**Initial Obligation** FY 1987	**Estimated Final Obligation** FY 1991
						Estimated Completion Date of Project FY 1992

Purpose: To improve the institutional capacity of both the Bangladesh Government (BDG) and private organizations to plan, design and implement development policies and programs through training in management and public administration.

Project Description: While the upper echelon of the BDG administrative management, trained under the pre-independence elite Pakistan Civil Service Corps, is generally competent, mid-level and new entrants into the civil service are less qualified. Access to quality education in such basic skills as public administration, management, business administration and economics has been limited and made available primarily to those individuals already in key policy positions. The dearth of adequately trained managers and technical personnel severely limits the absorptive capacity of BDG institutions, inhibits the implementation of key development activities, and inhibits effective policy dialogue. The weak human resource base will also inevitably reduce the government's capacity in the future to make informed policy decisions and effect a rational allocation of resources. Bangladesh universities are not capable of providing quality education in other than such technical areas as engineering, medicine and agriculture. Although a few institutes of management and public administration have either been re-established after a hiatus since independence or have been recently created, post-graduate education in public administration, management and economics is virtually non-existent.

This project will upgrade personnel in both public and private institutions through external and some in-country training. It will finance long- and short-term, degree and non-degree training. It will establish within the BDG a system of selecting the best young entrants into the public and private workforce and create an incentive structure to ensure that their newly acquired skills are effectively utilized.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s country strategy explicitly recognizes that the lack of investment in human capital at the managerial and entrepreneurial levels acts as a serious constraint to the management of public programs and the growth of productive private enterprises. Inadequately trained managers seriously inhibit the analysis, promulgation and implementation of sound public policies. A.I.D.'s training strategy seeks to redress this.

Host Country and Other Donors: Most major international and bilateral donors include training programs in their projects which are short-term and focused on the projects' technical areas, e.g., agriculture and health. Some donors, primarily the British and Dutch, emphasize training in the humanities and social sciences. This project will focus on training that will influence the country's policy decisions and program effectiveness.

Beneficiaries: All Bangladeshis will ultimately benefit from a strengthened human resource base supporting economic development, as well as from enlighted management of public and private resources.

Major Outputs: A cadre of mid-level public servants and private sector employees, trained in the skills areas necessary to effectively plan, manage and evaluate development programs and enterprises.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Short- and long-term training, technical assistance and commodities	$8,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,000	6,000	8,000

Principal Contractors or Agencies

PROGRAM: BANGLADESH

PLANNED PROGRAM SUMMARY SHEET

Title PVO-Co-Financing	Funding Source	AG, RD & N 900	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,300	Life of Project Funding 5,500
Number 388-0072 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 500	Initial Obligation FY 1987 · Estimated Final Obligation FY 1992 · Estimated Completion Date of Project FY 1993

Purpose: To strengthen the capacity of Private Voluntary Organizations (PVOs) in Bangladesh to extend basic services to the poor and to test cost-effective, replicable methods of service delivery.

Project Description: PVOs in Bangladesh have become increasingly involved in the delivery of a broad range of services, such as health, family planning, and agriculture, at the field level. Indigenous and international non-governmental organizations (NGOs) are presently reaching 10-15% of the rural poor in Bangladesh. The reputation and quality of these NGOs, over 6000 in all, varies immensely. However, their unique ability to reach poorer target groups; to keep operating costs low; to encourage beneficiary participation in program design, implementation and evaluation; and to introduce innovations in appropriate technology and service delivery are widely recognized by the BDG and the donor community.

This project will finance NGO sub-projects designed to strengthen private service delivery institutions in sectors where BDG support at the grassroots level is limited; in sectors that directly advance the A.I.D. development strategy, i.e., child survival, employment generation, social forestry, private entrepreneurship development; and in sectors where A.I.D. is investigating new approaches for longer term funding. The project also will provide a limited amount of technical assistance to PVOs to strengthen their project management skills.

Relationship of Project to A.I.D. Country Strategy: Encouraging the private sector to take a more active role in development is an important element of A.I.D.'s strategy. PVOs have already demonstrated a unique capability to provide family planning services effectively at low cost. Project funds will permit PVOs, working closely with the most disadvantaged groups, to test innovative ways to increase agricultural productivity and create new employment opportunities.

Host Country and Other Donors: The funds provided through the project will cover from 50% to 75% of the cost of each sub-project. The balance will be provided from a variety of sources including the beneficiaries, private business and philanthropic concerns, other bilateral and multilateral organizations, and private individuals. A.I.D. will continue to work closely with the World Bank Local Consultative Group Sub-committee on NGOs in Rural Development, particularly in streamlining project approval and monitoring procedures.

Beneficiaries: As a result of this project, A.I.D. expects to strengthen the PVOs and, through them, to be able to provide the poor with access to a broader range of services.

Major Outputs:	All Years
- Delivery of services to the poor in areas such as child health, small business development, credit facilities, employment generation, technology transfer and the environment	X
- Training of NGO employees and project beneficiaries	X
- Institutional strengthening of local organizations	X

A.I.D.-Financed Inputs	Life-of-Project ($000)
Technical assistance, commodities, training, lending and operational capital	$5,000

U. S. FINANCING (in thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				To be determined.
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,300	4,200	5,500	

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BURMA

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COUNTRY:  (482) BURMA                              FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     36,919
PER CAPITA GNP.......... (DOLLARS,1983)        180
ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.2%
ANNUAL RATE OF INFLATION (1973-83)  6.5%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1972)   9.0%
LIFE EXPECTANCY AT BIRTH, IN YEARS
                 (1985)   TOTAL 56.1  MALE 54.4  FEMALE 57.8
                 (1970)   TOTAL 48.8  MALE 47.3  FEMALE 50.3
ADULT LITERACY RATE  (1980)  TOTAL  66%  MALE  76%  FEMALE  56%
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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)   3.2%
AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    48%
POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        333

MAJOR CROP(S)
  SUBSISTENCE: RICE .. ..
  CASH: PEANUTS .. ..                          ARABLE LAND  YEAR
                                                       47%   (1984)
                                                        6%   (1984)
MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,PULSES ,RUBBER
MAJOR AGRICULTURAL IMPORTS:(1984) MILK ,WHEAT ,ANIMAL PRODS.
PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)    63%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                 (1980)          999 (81)        1,041 (82)
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)        1,041
                 (1980)          927 (81)          944 (82)
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)                     997
                 (1980)           72 (81)
DEFENSE EXPENDITURES,                               98 (82)        43
  AS % OF TOTAL EXPENDITURES.. (1980) 21.9% (81) 22.3% (82) 19.3%
  AS % OF GNP................. (1980)  3.5% (81)  3.6% (82)  3.3%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)                 (1982)   114 (83)    99 (84)    71
EQUIVALENT TO  1.1 MONTHS OF IMPORTS (1983)

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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)RICE                      ,TEAK                ,HARDWOODS
EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   16  (1983)   11  (1984)   13
   AS % OF TOTAL EXPORTS (1981)    3% (1982)    4% (1983)    3%
MAJOR IMPORTS(1983)MACH.TRANSP EQ ,BLDG MATERIALS ,OIL INDUSTRY EQ
IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   37  (1983)   17  (1984)   17
   AS % OF TOTAL IMPORTS (1981)    5% (1982)    5% (1983)    2%
TRADE BALANCE($ MILLIONS, U.S.)(1981)   -334(82)   -491(83)  -352
TRADING PARTNERS: JAPAN ,SINGAPORE ,GERMANY, FEDER
EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    54.9%
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)...................................... (1983)   150
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  39.9%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.9% (1978)   2.0% (1985)  2.0%
POPULATION IN URBAN AREAS............(1970)   23%   (1985)   30%
LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    33
MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)  10.0%
POPULATION (1985) IN AGE GROUP:
             (0-14YRS) 41.3% (15-64YRS) 55.0% (65+ YRS)  3.8%
INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  89
PEOPLE PER PHYSICIAN................ (1979)  4,681
MAJOR CAUSES OF
DISEASE (1981) MALARIA
DEATH.. (1982) MALARIA              ,INTESTINAL INFEC,TUBERCULOSIS
                                    ,TUBERCULOSIS     ,HEART DISEASE
PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    96%
POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  21%
TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1977)  TOTAL  76.2   MALE  86.0     FEMALE  73.2
SECONDARY....... (1979)  TOTAL  22.9   MALE  24.2     FEMALE  19.5
POST SECONDARY.. (1978)  TOTAL   3.4   MALE   3.4     FEMALE   3.4
   )
ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      120%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BURMA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	6.8	7.6	13.7	18.8	14.6	163.1	67.0	96.1
Loans	-	-	-	-	-	40.4	67.0	26.6-
Grants	6.8	7.6	13.7	18.8	14.6	122.7	-	122.7
a. A.I.D. and Predecessor Agencies	2.0	3.0	7.6	13.8	12.2	99.6	33.9	64.7
Loans	-	-	-	-	-	33.5	33.9	0.4-
Grants	2.0	3.0	7.6	13.8	12.2	65.1	-	65.1
(Economic Support Fund)	-	-	-	-	-	9.0		
b. Food for Peace (PL 480)	0.2	-	-	-	-	22.6	26.8	4.2-
Loans	-	-	-	-	-	1.9	26.8	24.9-
Grants	0.2	-	-	-	-	20.7	-	20.7
Title I - Total Sales Agreements	-	-	-	-	-	14.7	26.8	12.1-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	14.7	26.8	12.1-
Title II - Total Grants	0.2	-	-	-	-	7.9	-	7.9
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	-	-	-	0.3	-	0.3
Voluntary Relief Agencies	-	-	-	-	-	7.6	-	7.6
c. Other Economic Assistance	4.6	4.6	6.1	5.0	2.4	41.9	6.3	35.6
Loans	-	-	-	-	-	5.0	6.3	1.3-
Grants	4.6	4.6	6.1	5.0	2.4	36.9	-	36.9
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	4.6	4.6	6.1	5.0	2.4	36.9	-	36.9
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	*	0.2	0.2	0.1	89.2	-	89.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	*	0.2	0.2	0.1	89.2	-	89.2
a. MAP Grants	-	-	-	-	-	72.1	-	72.1
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	*	*	0.2	0.2	0.1	4.8	-	4.8
d. Transfers from Excess Stocks	-	-	-	-	-	12.3	-	12.3
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.8	7.6	13.9	19.0	14.7	252.3	67.0	185.3
Loans	-	-	-	-	-	40.4	67.0	26.6-
Grants	6.8	7.6	13.9	19.0	14.7	211.9	-	211.9
Other U.S. Government Loans and Grants	-	-	-	-	-	3.4	4.3	0.9-
a. Export-Import Bank Loans	-	-	-	-	-	3.4	4.3	0.9-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	115.5	130.8	42.3	1408.7
IBRD	0.0	0.0	0.0	33.1
IFC	0.0	0.0	0.0	0.0
IDA	92.0	54.7	32.3	697.0
IDB	0.0	0.0	0.0	0.0
ADB	8.1	71.6	10.0	514.0
AFDB	0.0	0.0	0.0	0.0
UNDP	15.4	4.5	0.0	87.9
OTHER-UN	0.0	0.0	0.0	72.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	6.0	4.0	13.0
Japan	111.0	120.8	815.4
Germany,Fed. Rep.	62.5	79.0	280.4
Australia	17.2	6.7	58.7
United Kingdom	6.0	2.7	43.2
Other	15.5	13.2	124.1
Total	218.2	226.4	1,334.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	15
Eastern Europe	-	-	215
Total	-	-	230

BURMA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans		–	–	–	–	–	–	–
Grants	14,930	12,750	–	2,180	–	–	–	–
Total	14,930	12,750		2,180				
1986								
Loans		–	–	–	–	–	–	–
Grants	10,000	9,180	–	320	500	–	–	
Total	10,000	9,180		320	500			
1987								
Loans		–	–	–	–	–	–	–
Grants	10,000	8,000	–	1,500	500	–	–	–
Total	10,000	8,000		1,500	500			

FY 1987
PROGRAM HIGHLIGHTS

- Technological and institutional improvements applied in agriculture sub-sectors benefitting from minimum market and price controls--$8.0 million.

- New primary health care technologies applied in low cost delivery programs--$1.5 million.

- Long- and short-term training in areas assuring the availability and sustained dissemination of essential technical skills and scientific knowledge in institutions which are central to development programs and policy development--$.5 million.

BURMA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	9,540	12,610	14,934
Total AID	9,540	12,610	14,934
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	9,540	12,610	14,934

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II [1/]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1/] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

BURMA

PERSONNEL DATA			
Category	FY1985 (Actual)	FY1986 (Estimated)	FY1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7	8	8
PASA[b]	0	0	0
TOTAL	7	8	8

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY1985 (Actual)			FY1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	23	12	35	25	15	40	30	22	52
Regional[e]	–	5	5	–	–	–	–	–	–
TOTAL	23	17	40	25	15	40	30	22	52

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY1985 (Actual)			FY1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	13	13	–	54	54	–	16	16
Regional[e]	–	–		–	–		–	–	
	–	–		–	–		–	–	
TOTAL		13	13		54	54		16	16

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

BURMA

Development Overview

Burma remains one of the world's poorest countries with a per capita Gross National Product (GNP) of only $180. Burma, the largest and least densely populated country in mainland Southeast Asia, with an estimated population of 37 million, contains substantial and relatively unexploited mineral, marine, forest, land, water and hydro-energy resources. These include undetermined amounts of petroleum and natural gas and an estimated 80 percent of the world's teak. Only one-half of Burma's arable land is now cultivated and only a small percentage is irrigated. Although Burma has only recently begun programs which make use of high-yielding seed varieties, fertilizer and irrigation, its potential for future agricultural production increases is extremely high. Burma's general economic potential—certainly its potential for improvement--is also considered very high.

While the country is very poor, the gap between rich and poor and between urban and rural standards of living is small. Burma is basically self-sufficient in both food and energy although shortages and distribution problems do occur. It has been relatively untouched by international inflation. Though there has been recent evidence of upward pressure, a consumer-oriented price policy has, to date, succeeded in keeping domestic prices relatively stable. However, the social and physical infrastructure of the country and delivery of services to rural areas are inadequate. Only a small percentage of the population has access to electricity or potable water. Malaria, diarrheal diseases, and tuberculosis are widespread, and the infant mortality rate remains high although it is improving. Burma's population has been growing at just over 2 percent since 1973. Sixty-six percent of Burma's citizens are considered literate, but only about 3 of every 100 elementary school entrants advance to the university level.

In the 1950s, Burma emphasized social service programs at the expense of economic growth. By the 1970s, however, the government began to place increased priority on economic growth and performance. A tax reform program expanded government revenues and slowed the rate of monetary expansion. Interest rates were raised and government enterprises were placed on a more commercial basis. As a result, the Burmese economy passed its low point in 1975 and achieved an annual growth rate of 6.8 percent through 1981. More recently growth has slowed and external debt has increased as foreign exchange earnings from traditional exports, particularly rice, have declined significantly. This phenomenon poses increasingly difficult problems for an economy which requires additional foreign exchange for investment and development.

The agriculture sector accounts for 48 percent of Gross Domestic Product and, until recently, also accounted for the largest percentage of Burma's export earnings. The extension of high-yielding varieties, improved cultivation practices, and fertilizer increased Burma's rice productivity by 80 percent from 1.65 MT/hectare in 1975 to just over 3 MT/hectare in

1984, but a saturated international rice market, combined with an inability to obtain premium rice from farmers at official prices, has reduced government sales of rice for export. As a result of this decline, forestry products now account for a slightly larger percentage of the country's export earnings than agriculture, and valuable forest reserves are coming under increasing pressure in the face of the country's heavy foreign exchange demands.

Despite its high potential and a few encouraging signs, Burma's economic and social service development progress is restrained by a cumbersome centralized administration and distribution system, dual systems of administered and market prices for several commodities and services, a strong bias for self-sufficiency even at high costs to efficiency, an overvalued official exchange rate, and a shortage of skilled personnel and modern technologies. Foreign exchange needed to finance continued modernization and development efforts is in short supply, in part because of the constraining factors described above. The results of this are seen in shortages of capital equipment and investment goods, high rates of unemployment and underemployment, and inadequate and deteriorating infrastructure in nearly every sector. Goods representing a very significant portion of the value of imports into the country are provided through a parallel economy which performs admirably even in the face of government-imposed restraints.

Access to borrowing is limited by a debt service ratio estimated in 1984 to be as high as 42 percent of export earnings—and increasing.

U.S. Interests And Objectives

Burma borders India, Bangladesh, China, Laos, and Thailand. The United States is interested in the stability and progress of Burma as an independent nation in Southeast Asia. U.S. development interests stem from a recognition of Burma's long-term potential for economic growth, for satisfying the development aspirations of its own people, and for contributing to the world's food supplies. U.S. commercial interests could be significantly expanded in a more open, growing economy. In 1984 U.S./Burma two-way trade was estimated at $30 million, with U.S. exports to Burma accounting for $17 million.

The United States and Burma have a close cooperative relationship and the United States is helping Burma to curtail the production and export of illicit narcotics through a narcotics control assistance program financed by the Department of State. A.I.D.'s current and planned programs in Burma support all of these U.S. interests.

A.I.D. Development Assistance Strategy

The A.I.D. strategy in Burma recognizes that the economic assistance program is but one significant element in a larger U.S. program designed to achieve U.S. foreign policy objectives in this country and region. It recognizes an economic and political environment which restrains market-led economic growth and dissuades active discussion of economic policies with foreign experts. It also recognizes the importance of helping Burma adapt its policies and programs to a rapidly changing world.

The A.I.D. strategy adapts to constraints imposed by the current economic environment by concentrating assistance on a few sound Burmese development efforts in key sectors that show significant potential for contributing to Burma's economic growth and social development. While, of necessity, recognizing independent Burmese policy prescriptions, the strategy also challenges the current environment by focusing support on economic activities which are subject to minimum government control, and by indicating alternatives for selection and adoption by the Government of Burma. Thus, the program highlights problems derived from inappropriate policies and the need for policy changes. It initiates technological and institutional improvements which contribute to the efficiency of any system, and introduces ideas for increased economic and administrative efficiency to Burmese who participate in formulation of economic development policies and programs. The strategy paves the way for modernization and change over the medium and long term. It also addresses the social service needs of the population and recognizes a proper role of the public sector by supporting social development programs which demonstrate efficient, low-cost delivery of social services to the poor majority.

The A.I.D. strategy establishes intermediate objectives of increased productivity and continued long-term growth and improved social service delivery in the areas of A.I.D. intervention. The strategy concentrates on agriculture and health development and supports two high priority programs of national scope.

Within the agricultural sector, A.I.D. supports Burma's production of selected food crops while strengthening institutional capacity to sustain the advances that are made. U.S. technology, research, and training assistance for oilseeds production and processing are making Burma less dependent on edible oil imports and moving it closer to meeting its domestic requirements. They are also increasing rural incomes and supporting A.I.D.'s nutrition objectives in the health sector while providing support to private sector farmers and millers.

The objective of A.I.D.'s health sector support is the reduction of morbidity and mortality, especially among infants and children. A.I.D.'s contribution to the National Primary Health Care program enables Burma to train and equip village volunteers as community health workers and as auxiliary midwives providing basic preventive and curative services in health and nutrition at the village level. A.I.D. also supports the Government of Burma's program to provide traditional birth attendants with their first organized training.

In addition to the above efforts, A.I.D. supports the development of Burma's human resources through training programs in the United States and third countries. In 1984/85, A.I.D. sponsored 50 participants from Burmese development agencies for courses in agriculture, public health, cooperatives and energy management.

A.I.D. Program (FYs 1985-86)

A. Agriculture

During FY 1985 A.I.D. made its final contribution to the Maize and Oilseeds Production Project (482-0005) which was initiated in FY 1982. This project is financing technical assistance and training from a consortium of U.S.-based universities and is supplying agricultural commodities such as fertilizer and equipment in support of a relatively open market-based sub-sector of the Burmese agriculture sector. At the end of FY 1985, 18 project-funded agricultural specialists were enrolled in graduate study programs in the United States. A mid-term evaluation completed in early 1985 confirmed the general success of the project, but it also noted: (a) a failing of the project to identify and train Ph.D.-level technicians in a timely way; and (b) a slow start-up of the technical assistance component of the project. The design of a follow-on production project which will begin in FY 1986 has taken these problems and their causes into consideration.

In late FY 1985, A.I.D. initiated two new activities in this sub-sector. The Edible Oil Processing and Distribution (482-0006) and Agriculture Research and Development (482-0012) projects supplement the earlier production project with efforts to strengthen research and improve the processing and distribution of oilseeds. The first of these two new projects includes support to private sector oil mills and complements the Maize and Oilseeds Production Project (482-0005) by introducing more modern extraction and processing technologies designed to increase the present low rates of oil recovery and improve the quality of edible oils. The Agriculture Research and Development Project (482-0012) represents the first phase of a joint, long-range effort to strengthen adaptive research capacities in maize, oilseeds and other selected crops.

During FY 1986, A.I.D. will continue the projects above while initiating a new follow-on production activity, the Agriculture Production Project (482-0007). This project will extend the work begun under the Maize and Oilseeds Production Project (482-0005), but will augment the effort with an integrated pest management component and a reinforced human resources development program.

B. Health

A 1985 end-of-project evaluation of the Primary Health Care I Project (482-0002) concluded that, though the project achieved its purpose of increasing coverage, services are still more curative than preventive in nature. Recommendations for increased attention to the quality of training and performance of community health workers have been integrated into a follow-on Primary Health Care II Project (482-0004). Combined with other donor and Burmese contributions, this project is enabling Burma to provide some primary health care coverage in all of its 287 rural townships and to improve the quality of services provided. A.I.D. assistance is improving volunteer health worker training/supply/deployment, health information systems and research, management, and supervision.

A new activity, Strengthening Primary Health Care Service Delivery Project (492-0013), scheduled to begin in late FY 1986, will augment the quality improvement aspects of the Primary Health Care II Project (482-0004) by focussing attention on supervision and training for the lowest level government-paid public (mid-level) health workers and by initiating interventions in areas which most affect mothers' and children's health in Burma. These include such things as immunization, oral rehydration therapy, mass media information dissemination, malaria suppression, and treatment of upper respiratory and TB infections.

C. Development Training

Since the resumption of A.I.D.'s development assistance program in Burma in FY 1980, A.I.D. participant training programs have proven very successful in transferring U.S. managerial and technical skills to Burma and in building a human resource base for future economic development. Through FY 1985, 182 Burmese government officials have received overseas training in agriculture, health, planning, public management and energy development. In FY 1986 A.I.D. plans to fund increased participant training, with greater emphasis on management and administration.

Requested Year Program (FY 1987)

A. Agriculture

In FY 1987, A.I.D. will continue assistance to the edible oil sub-sector under the Edible Oil Processing and Distribution (482-0006), Agriculture Research and Development (482-0012), and Burma Agriculture Production (482-0007) projects. These projects will: (a) move the cooperative sector toward a more realistic, market-oriented operation and, through technology improvements and training, benefit some small, private sector entrepreneurs engaged in oil extraction; (b) strengthen adaptive research/extension linkages; and (c) consolidate institutional improvements which will assure continued food production increases into the future. The United States has substantial technical expertise and experience to assist in this area.

FY 1987 evaluations of the Edible Oil Processing and Distribution and Agriculture Research and Development projects will be used to identify design and implementation problems and to point out appropriate corrective actions.

B. Health

A.I.D. will continue assistance to the Primary Health Care II (482-0004) and Strengthening Primary Health Care Service Delivery (482-0013) projects during FY 1987. Each project will profit from and improve the management information system, first developed and installed under the Primary Health Care II project, designed to help the Government of Burma achieve low-cost primary health care program objectives more efficiently, both within these A.I.D.-financed projects and throughout the health system. An evaluation of the Primary Health Care II Project planned for early FY 1987 will use data gathered under the project's management information system to assess the degree of success in achieving planned qualitative improvements in health care delivery.

C. Development Training

Funding is requested for the continuation of participant training programs.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BURMA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
MAIZE AND OILSEEDS PRODUCTION	G	482-0005	82	85	30,000	30,000	30,000	18,390	---	6,110	---	5,401
EDIBLE OIL PROCESSING AND DISTRIBUTION	G	482-0006	85	87	9,500	8,010	6,010	---	---	1,500	2,000	1,240
AGRICULTURE PRODUCTION	G	482-0007	86	90	30,000	27,000	---	---	4,680	250	6,000	3,000
AGRICULTURE RESEARCH AND DEVELOPMENT	G	482-0012	85	86	11,300	7,500	3,000	---	4,500	2,000	---	2,043
TOTAL FOR ACCOUNT					80,800	72,510	39,010	18,390	9,180	9,860	8,000	11,684
GRANTS					80,800	72,510	39,010	18,390	9,180	9,860	8,000	11,684
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PRIMARY HEALTH CARE	G	482-0002	80	81	4,720	4,720	4,720	4,618	---	---	---	---
PRIMARY HEALTH CARE II	G	482-0004	83	85	9,470	9,320	9,320	1,884	---	2,500	---	2,250
STRENGTHENING PRIMARY HEALTH CARE SVC DE	G	482-0013	86	90	12,000	12,000	---	---	320	---	1,500	750
TOTAL FOR ACCOUNT					26,190	26,040	14,040	6,502	320	2,500	1,500	3,000
GRANTS					26,190	26,040	14,040	6,502	320	2,500	1,500	3,000
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT TRAINING II	G	482-0010	86	91	---	3,000	---	---	500	250	500	250
TOTAL FOR ACCOUNT					---	3,000	---	---	500	250	500	250
GRANTS					---	3,000	---	---	500	250	500	250
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					106,990	101,550	53,050	24,892	10,000	12,610	10,000	14,934
GRANTS					106,990	101,550	53,050	24,892	10,000	12,610	10,000	14,934
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985, the FY of final obligation is based on a planned date.

CYRPUS

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (233) CYPRUS

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)        665

PER CAPITA GNP.......... (DOLLARS,1983)      3,680

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  5.5%

ANNUAL RATE OF INFLATION (1973-83) 10.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1966)   7.9%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)  TOTAL 74.6  MALE 72.8  FEMALE 76.4
                      (1970)  TOTAL 70.9  MALE 69.3  FEMALE 72.4

ADULT LITERACY RATE  (1976)   TOTAL  89%  MALE  96%  FEMALE  83%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)   3.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       122


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,BARLEY ..                          35%   (1984)
  CASH: GRAPES ,CITRUS FRUIT ,POTATOES                   15%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) POTATOES ,CITRUS FRUIT ,GRAPES

MAJOR AGRICULTURAL IMPORTS:(1984) BARLEY ,SORGHUM ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)    21%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1981)       485 (82)        532 (83)        550
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1981)       627 (82)        655 (83)        685
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1981)      -142 (82)       -124 (83)       -135
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1981)  6.7% (82)  6.0% (83)  5.5%
  AS % OF GNP................. (1981)  2.0% (82)  1.5% (83)  1.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982)  538 (83)  532 (84)  552
  EQUIVALENT TO  4.1 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)FOOD & BEVERAGE,CEMENT          ,.CLOTHING

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    6  (1983)   12  (1984)   20
   AS % OF TOTAL EXPORTS (1981)    1% (1982)    1% (1983)   3%

MAJOR IMPORTS(1983)MANUFCTURD GOOD,MACH TRANSP EQ .FUELS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   86  (1983)   74  (1984)   70
   AS % OF TOTAL IMPORTS (1981)   10% (1982)    9% (1983)   7%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -536(82)   -590(83)  -656

TRADING PARTNERS: UNITED KINGDOM ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    39.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   138
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  11.3%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   0.8% (1978)   0.7% (1984)  1.3%

POPULATION IN URBAN AREAS............(1970)    41%   (1985)   50%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)     21

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (   .)      %

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 24.9% (15-64YRS) 64.9% (65+ YRS) 10.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  12

PEOPLE PER PHYSICIAN................ (1980)  1,123

MAJOR CAUSES OF
DISEASE (1981) CHICKEN POX      ,TUBERCULOSIS    ,SCARLET FEVER
DEATH.. (1974) CIRCULATORY      ,HEART DISEASE   ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   129%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 100%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  79.4   MALE  79.7    FEMALE  79.0
SECONDARY....... (1982)  TOTAL  79.4   MALE  76.5    FEMALE  79.5
POST SECONDARY.. (1981)  TOTAL   2.7   MALE   3.3    FEMALE   2.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY CYPRUS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	15.2	14.0	15.0	15.0	15.0	208.3	0.6	207.7
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	15.2	14.0	15.0	15.0	15.0	207.1	-	207.1
a. A.I.D. and Predecessor Agencies	15.0	14.0	15.0	15.0	15.0	177.0	-	177.0
Loans	-	-	-	-	-	-	-	-
Grants	15.0	14.0	15.0	15.0	15.0	177.0	-	177.0
(Economic Support Fund)	15.0	14.0	15.0	15.0	15.0	120.6		
b. Food for Peace (PL 480)	0.2	-	-	-	-	31.0	0.6	30.4
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	0.2	-	-	-	-	29.8	-	29.8
Title I - Total Sales Agreements	-	-	-	-	-	1.2	0.6	0.6
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.2	0.6	0.6
Title II - Total Grants	0.2	-	-	-	-	29.8	-	29.8
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	-	-	-	29.1	-	29.1
Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
c. Other Economic Assistance	-	-	-	-	-	0.3	-	0.3
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.3	-	0.3
Peace Corps	-	-	-	-	-	0.3	-	0.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.2	14.0	15.0	15.0	15.0	208.3	0.6	207.7
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	15.2	14.0	15.0	15.0	15.0	207.1	-	207.1
Other U.S. Government Loans and Grants	2.3	-	-	-	-	28.4	30.0	1.6-
a. Export-Import Bank Loans	2.3	-	-	-	-	5.7	3.4	2.3
b. All Other Loans	-	-	-	-	-	22.7	26.6	3.9-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	34.3	44.1	7.0	295.7
IBRD	26.2	43.8	7.0	249.7
IFC	0.0	0.0	0.0	6.1
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.1	0.3	0.0	19.1
OTHER-UN	0.0	0.0	0.0	0.8
EEC	8.0	0.0	0.0	20.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	-	1.0	52.0
Germany, Fed. Rep.	11.3	4.0	37.5
Austria	0.2	0.8	16.1
France	2.2	2.2	10.1
United Kingdom	1.1	0.6	7.1
Other	0.1	0.3	1.5
Total	14.9	8.9	124.3

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
0.4	N.A.	3.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	15
Eastern Europe	-	-	10
Total			25

CYPRUS

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	15.0	14.355	3.0

Development Overview

The economy of Cyprus was severely disrupted by the hostilities of 1974. Approximately 200,000 Cypriots -- almost one-third of the total population -- were displaced. Substantial effort was required to resettle displaced persons and provide employment and administrative, educational, medical and social services.

The Government of Cyprus (GOC) has done an excellent job in managing its economic problems. After sharp economic reversals in 1974 and 1975, production for domestic use and for export grew rapidly. Per capita gross national product (GNP) for the south is estimated to be about $4,000. Unemployment has dropped from a 1974 high of about 30% to about 3% and labor shortages exist in several skill areas.

In the north, economic development has been slower, living standards are below those of the south, and unemployment is believed to be higher. While there is little reliable data on economic conditions, we do know that GNP has increased since 1974 and is estimated at about 1/3 to 1/2 that of the south. Some economic progress is being made despite shortages of foreign exchange and a lack of entrepreneurial and managerial skills.

U.S. Interests and Objectives

United States economic assistance demonstrates our continued concern for the people of Cyprus and an active interest in promoting a just and lasting settlement.

A.I.D. Development Strategy

Between FY 1975 and FY 1985, the United States provided almost $200 million to Cyprus. Of this amount $31.5 million was committed for the Cyprus-America Scholarship Program, begun in 1981, which enables Cypriots to study at educational institutions in the United States. The remainder was used to support the United Nations High Commission for Refugees (UNHCR) programs of housing construction, construction and equipping of health and education facilities, agriculture development and social services. For the past several years, the UNHCR program has been almost entirely funded by the United States.

With future funding, A.I.D. and the U.S. Embassy in Nicosia will focus on the identification and support of activities which contribute to bicommunal cooperation. Assistance will also continue to give Cypriots access to higher education in the United States, which provides them with an alternative to the training opportunities available in the Soviet Union and Eastern Europe.

CYPRUS

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	10,000	8,000	5,000
Total AID	10,000	8,000	5,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	10,000	8,000	5,000

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

CYPRUS

A.I.D. Program (FYs 1985-1986)

The $15 million provided in FY 1985 was equally divided between the UNHCR program and the scholarship program. A portion of the FY 1985 UNHCR resources were budgeted for construction of the bicommunal Nicosia sewer system. Additional funding will be provided for the scholarship programs in FY 1986. An effort is being made to identify and fund bicommunal projects that can lead to reconciliation of the ethnic Cypriot communities.

UNHCR projects are designed by the Cyprus Red Cross for both the Greek and Turkish Cypriot communities and submitted for review and approval to UNHCR in consultation with the United States and other donors. Funds are allocated on the basis of population: 19.05% for the Turkish Cypriot north and 81.95% for the Greek Cypriot south.

The Cyprus scholarship program is administered jointly by American-Mideast Educational and Training Services, Inc. (AMIDEAST) and the Fulbright Commission of Cyprus. The first students entered American educational institutions in the fall of 1982. To date, 400 students have matriculated at more than 80 institutions throughout the United States. The number of new students increased in 1985 as a program of partial scholarships was introduced to supplement the one under which students receive full scholarships and living expenses. Over the life of the scholarship program an estimated 736 participants will be trained (333 full scholarships, 283 partial scholarships, and 120 short-term trainees). The scholarships are for both undergraduate and graduate study and range from two to four years in length.

Requested Year Program (FY 1987)

Funds are requested for activities which promote bicommunal cooperation.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CYPRUS

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND													
RELIEF AND REHABILITATION ACTIVITIES		G	233-0001	75	87	160,000	168,000	160,000	118,738	7,177	5,000	3,000	5,000
SCHOLARSHIP PROGRAM		G	233-0002	81	86	34,500	39,000	31,500	1,160	7,178	4,000	---	4,000
[l]TOTAL FOR ACCOUNT						194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
GRANTS						194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
GRANTS						196,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

626

EGYPT

87

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COUNTRY:  (263) EGYPT

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     49,133

PER CAPITA GNP.......... (DOLLARS,1983)        700

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  4.2%

ANNUAL RATE OF INFLATION (1973-83) 13.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975)   5.1%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 58.4  MALE 56.6  FEMALE 60.3
                    (1970)   TOTAL 49.9  MALE 49.5  FEMALE 50.3

ADULT LITERACY RATE  (1976)   TOTAL  44%  MALE  57%  FEMALE  29%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    19%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)     1,545


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,WHEAT ,SORGHUM                    52%   (1984)
  CASH: COTTON ,RICE ,VEGETABLES                       24%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,ORANGES ,POTATOES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,TOBACCO

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    36%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1981)     11,429 (82)      12,572 (83)     14,143
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1981)     17,143 (82)      18,572 (83)     22,000
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1981)     -5,714 (82)      -6,000 (83)     -7,857
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1981)  1.4% (82)  1.7% (83)  2.1%
  AS % OF GNP................. (1981) 11.4% (82) 13.4% (83) 13.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982) 1,276 (83) 1,528 (84) 1,415
  EQUIVALENT TO  1.7 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)CRUDE PETROLEUM,RAW COTTON     ,COTTON GOODS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  147  (1983)  295  (1984)  165
   AS % OF TOTAL EXPORTS (1981)    4% (1982)    4% (1983)    9%

MAJOR IMPORTS(1983)FOODSTUFFS     ,MACH AND EQ    ,FERTILIZERS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,726  (1983)3,094  (1984)2,975
   AS % OF TOTAL IMPORTS (1981)   26% (1982)   25% (1983)  44%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -3,920(82) -3,715(83)-3,823

TRADING PARTNERS: UNITED STATES ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    46.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983) 2,466
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  66.8%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.8% (1978)   2.9% (1985)  2.8%

POPULATION IN URBAN AREAS............(1970)    42%   (1985)   46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)    40

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1980)  24.5%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 38.8% (15-64YRS) 57.4% (65+ YRS)  3.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 105

PEOPLE PER PHYSICIAN................ (1980)    971

MAJOR CAUSES OF
DISEASE (1981) HEPATITIS       ,TYPHOID FEVER   ,MEASLES
DEATH.. (1981) GASTROINTESTINAL,CIRCULATORY     ,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   111%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  75%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  74.6   MALE  86.1    FEMALE  62.5
SECONDARY....... (1981)  TOTAL  50.8   MALE  63.8    FEMALE  38.7
POST SECONDARY.. (1976)  TOTAL  11.5   MALE  15.7    FEMALE   7.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      218%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY EGYPT

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	1166.4	1130.4	1064.9	1005.1	1104.1	10519.0	996.2	9522.8
Loans	565.3	342.5	262.0	238.3	237.5	5290.0	996.2	4293.8
Grants	601.1	787.9	802.9	766.8	866.6	5229.0	-	5229.0
a. **A.I.D. and Predecessor Agencies**	865.0	829.0	771.0	750.0	852.9	7562.3	299.3	7263.0
Loans	280.0	70.0	-	-	-	2734.1	299.3	2434.8
Grants	585.0	759.0	771.0	750.0	852.9	4828.2	-	4828.2
(Economic Support Fund)	865.0	829.0	771.0	750.0	852.9	7331.7		
b. **Food for Peace (PL 480)**	301.4	301.4	293.9	255.1	251.2	2945.5	686.2	2259.3
Loans	285.3	272.5	262.0	238.3	237.5	2545.2	686.2	1859.0
Grants	16.1	28.9	31.9	16.8	13.7	400.3	-	400.3
Title I - Total Sales Agreements	285.3	272.5	262.0	238.3	237.5	2581.1	686.2	1894.9
Repayable in U.S. Dollars - Loans	285.3	272.5	262.0	238.3	237.5	2086.3	357.1	1729.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	329.1	165.7
Title II - Total Grants	16.1	28.9	31.9	16.8	13.7	364.4	-	364.4
Emerg. Relief, Econ. Develop. & World Food Program	3.3	6.4	17.9	5.2	0.4	81.2	-	81.2
Voluntary Relief Agencies	12.8	22.5	14.0	11.6	13.3	283.2	-	283.2
c. **Other Economic Assistance**	-	-	-	-	-	11.2	10.7	0.5
Loans	-	-	-	-	-	10.7	10.7	-
Grants	-	-	-	-	-	0.5	-	0.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.1	-	0.1
Other	-	-	-	-	-	0.4	-	0.4
II. **MILITARY ASSISTANCE – TOTAL**	0.8	550.8	902.4	1326.9	1366.7	5648.1	1005.5	4642.6
Credits or Loans	-	550.0	700.0	900.0	900.0	4550.0	1005.5	3544.5
Grants	0.8	0.8	202.4	426.9	466.7	1098.1	-	1098.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing FMS	-	550.0	700.0	900.0	900.0	4550.0	1005.5	3544.5
c. Military Assistance Service Funded (MASF) Grants	0.8	0.8	2.4	1.9	1.7	8.1	-	8.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	200.0	425.0	465.0	1090.0	-	1090.0
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	1167.2	1681.2	1967.3	2332.0	2470.8	16167.1	2001.7	14165.4
Loans	565.3	892.5	962.0	1138.3	1137.5	9840.0	2001.7	7838.3
Grants	601.9	788.7	1005.3	1193.7	1333.3	6327.1	-	6327.1
Other U.S. Government Loans and Grants	9.5	18.0	44.4	8.4	199.9	510.8	292.8	218.0
a. Export-Import Bank Loans	9.5	17.3	41.7	8.4	155.7	328.7	135.8	192.9
b. All Other Loans	-	0.7	2.7	-	44.2	182.1	157.0	25.1

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	491.0	528.7	441.9	4558.3
IBRD	350.0	458.0	263.3	2850.3
IFC	110.9	8.0	6.5	212.1
IDA	0.0	0.0	0.0	980.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	23.8	109.6	194.3
UNDP	2.1	0.5	0.0	97.2
OTHER-UN	0.0	13.6	0.0	43.3
EEC	28.0	25.0	62.5	180.5

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	928.0	1,031.0	5,017.0
Germany,Fed. Rep.	125.7	98.7	615.3
Japan	72.4	60.0	580.1
France	49.1	21.9	255.0
United Kingdom	13.1	16.0	118.6
Other	96.5	70.8	389.8
Total	1,284.8	1,298.4	6,975.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
11.8	N.A.	853.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	1,440
Eastern Europe	-	420	1,730
Total	-	420	3,170

EGYPT

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
ESF	1,065.0*	1,031.4*/**	815.0

* Figures include $500 million supplemental appropriation, $250 million of which was obligated in FY 1985, and the balance of which will be obligated in FY 1986.

** Includes $1.4 million no-year funds deobligated in FY 1985, which will reobligated in FY 1986.

COUNTRY NARRATIVE

COUNTRY OVERVIEW

Egypt plays a crucial leadership role in the Middle East peace process, and the country's continued stability is central to that role. The U.S. economic assistance program supports Egypt's constructive contribution in the Middle East by helping to sustain its economy through a difficult period of adjustment in the short run. It also provides direct support for the infrastructure, productive enterprises, and human resources necessary to sustain vigorous levels of long-term equitable growth.

The present A.I.D. program in Egypt is an important element of support for the Camp David Agreements. The program has advanced both U.S. and Egyptian interests. Egypt's commitments to peace with Israel and to the Middle East peace process have been maintained. A.I.D. assistance has been a major source of the foreign exchange necessary for higher levels of national investment. From FY 1975 through FY 1985 $11 billion of U.S. economic assistance was obligated, of which $8.7 billion has been expended. A record $1,270 million was expended under the program in 1985, exceeding that year's obligations by $205 million.

Since the A.I.D. program began in 1975, Egypt's gross domestic product has expanded at an average annual rate of about 8 percent even though growth during the last two years (1983-1985) has been at half that rate (compared with 2.5 percent annually between 1967 and 1974). Foreign exchange receipts exceeded $16 billion in 1984--up from $2 billion in 1974. More than seventy-five foreign and Egyptian banks are now in operation, as compared to six in 1974. Most importantly, the vast majority of Egyptians have a much higher standard of living today than they did in 1974. Wages, especially in agriculture and construction, have risen substantially in real terms. Real per capita income rose especially rapidly in the late 1970s and has continued to rise since 1980 at approximately 2 percent per year.

Despite these encouraging signs, severe structural problems and questionable public policies constrain Egypt's prospects for sustained development. Productivity in agriculture and industry is low. Egypt can no longer depend on increasing oil earnings, workers' remittances, Suez Canal fees, and tourism to fuel high levels of economic growth. With the

EGYPT

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	33,018	23,562	8,000
Grants	1,236,848	1,239,180	1,071,283
Total AID	1,269,866	1,262,742	1,079,283
P.L. 480 **			
Title I	225,000	213,000	185,000
(of which Title III is)	((0)	((0)	((0)
Title II	13,208	6,855	4,910
Total P.L. 480	238,208	219,855	189,910
Total AID and P.L. 480	1,508,074	1,482,597	1,269,193

* *AID levels reoresent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	1,010,000	134,000	1,038,000	134,900	930,000	120,000
Feedgrains	525,000	91,000	519,000	78,100	470,000	65,000
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	1,535,000	225,000	1,557,000	213,000	1,400,000	185,000
Title II 1/						
Voluntary Agencies	44,423	13,208	21,107	6,855	14,934	4,910
Government - to - Government						
Title II Total	44,423	13,208	21,107	6,855	14,934	4,910
Total P.L. 480	1,579,423	238,208	1,578,107	219,855	1,414,934	189,910

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	131.5	115	113
PASA[b]	8	12	12
TOTAL	139.5	127	125

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel, One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	607	662	1,269	361	835	1,196	240	837	1,077
Regional[e]	26	5	31	15	14	29	18	0	18
TOTAL	633	667	1,300	376	849	1,225	258	837	1,095

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	0		0	40	40	0	40	40
Regional[e]	0	13	13	0	3	3	0	0	
TOTAL		13	13		43	43		40	40

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

prognosis for these external factors not encouraging, the country will have to rely on productivity increases in agriculture and industry for a major portion of the economic growth to sustain the economic and social gains of the past several years. Substantial growth is needed merely to keep pace with Egypt's continuing, rapid population growth rate, now estimated at 2.7 or 2.8 percent per year.

Egypt's current economic and social condition derives in large part from the revolution of 1952 and the socio-economic policies implemented since then. The debilitating effects of long-term war mobilization are also a factor. With the revolution came a series of far-reaching structural changes in Egypt's economy during the 1950's and 1960's, aimed at dramatically reducing the gap between rich and poor. This period witnessed an extraordinary investment of financial and human resources in the extension of social services to the Egyptian people. By the mid-1960's Egypt was in the vanguard of developing countries in terms of equity, social services, and physical quality of life indices.

However, these economic and social policies were costly and well beyond the capacity of the economy to sustain. Resources were inadequate to finance consumption for a fast growing population, let alone for adequate new investment. The industrial structure reflected an ad hoc strategy of import substitution and inefficient state-run enterprises. The agricultural sector was virtually ignored, and farmers were taxed, through low government fixed procurement prices, to pay for industrialization. At the same time, diversion of resources to defense expenditures left social and industrial infrastructure with inadequate operating budgets and deferred maintenance needs.

The "Open Door" policies promulgated by former President Sadat to revive the Egyptian economy, ensuing economic liberalization measures, and the establishment of peace with Israel as part of the regional peace process, set the stage for Egypt's entry into a period of economic revival. The key requirements for this transition are movement toward market-oriented systems for establishing prices and allocating resources, the rehabilitation and expansion of Egypt's infrastructure and capital plant, strengthening private enterprise, and investment in human resources. As enunciated by President Mubarak, the nation's commitment to equity and social welfare remains strong, but Egypt's policymakers are increasingly aware that sustainable social programs must be financed through economic growth. Translating this into action is a slow and difficult process, however, and the Egyptian Government must balance progress in policy change with the needs for equity and political stability.

UNITED STATES INTERESTS AND OBJECTIVES

The overriding objectives of the United States are to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal countries of the Arab-Israeli dispute into a comprehensive peace settlement. Egypt is central to these objectives. Accordingly, while both countries recognize the desirability of an eventual phase-down in U.S. assistance, A.I.D. anticipates an additional period of undiminished economic assistance to Egypt to support stability and growth and to help the Egyptians redress structural weaknesses in their economy.

The essential political premises remain those articulated in the joint communique issued in February, 1982 on the occasion of the first meeting between President Reagan and President Mubarak:

"— Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;

"-- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;

"-- The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;

"— Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;

"-- Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;

"— It is in the interest of both nations to ensure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing commitment of the U.S. to provide resources that may be utilized to this end."

ECONOMIC PERFORMANCE

Economic Growth: Economic growth has slowed recently, due largely to a leveling off of export earnings, which serve as a major source of inputs into industry and agriculture. The public sector dominance of Egyptian industry and inappropriate public pricing serve to stifle innovation, repress productivity, and retard growth. Many government owned and operated industrial plants - for example, fertilizer and aluminum smelting operate at a financial loss. Agricultural production has been increasing at 2-3 percent annually over the past four years, not equal to population and income growth, so the food deficit is growing. As a result of the above, and despite Egypt's increasing reliance on external aid, gross domestic product has been expanding at a slower rate than in the period 1974 to 1982, which averaged about 9 percent per annum. From 1983 to 1985, this rate has been about 4 percent.

EGYPT

Balance of Payments: The overall balance of payments has moved from a surplus position in 1982/83 ($890 million) and 1983/84 ($150 million) to a significant deficit position of approximately $1.3 billion in 1984/85. This trend has persisted despite large flows of international economic assistance of $1.8 billion in 1982/83, $2.0 billion in 1983/84, and $2.0 billion in 1984/85, coupled with an increase in arrears [de facto rescheduling] of payments on some debt obligations. The major cause of this imbalance is the leveling of export earnings due to an estimated decline in workers' remittances, petroleum exports, Suez Canal tolls and agricultural exports of several hundred million dollars. Only tourism and non-petroleum export earnings improved slightly. Imports have increased by about $2 billion over 1982/83 levels. Egypt's external debt (public and publicly guaranteed) is at the unmanageable level of $32.5 billion in 1984/85, and could be considerably higher after the government completes its study of the debt situation. Debt servicing is an estimated $4.1 billion, or 32 percent of the country's foreign exchange earnings. This debt servicing represents a growing burden to the economy.

Fiscal and Monetary Conditions: The budget deficit has continued to increase from LE 5.1 billion in 1983/84 to LE 5.4 billion in 1984/85. This represents 30 percent of expenditures, down from 32 percent last year. Nearly one quarter of this deficit is financed from external sources. Budgeted subsidies, although still high at over LE 2 billion, have been reduced by LE 300 million since last year. The 1985/86 budget assumed an optimistic revenue increase to LE 15.0 billion, with a resulting decrease in the deficit to LE 4.9 billion. Inflation continues at a rate approaching 20 percent.

Current Economic Policies: The Government of Egypt has publicly announced its strategy to move the economy out of its current stagnant and deficit position. The major policy guidelines are as follows:

- Reduce imports for non-productive purposes through tariff increases and other restrictions. This will reduce both the balance of payments and budget deficits.

- Promote real economic productivity in both the public and private sectors through reduction of subsidies and elimination of non-profitable operations.

- Increase the efficiency of tax collections.

- Increase the price of energy. (Much progress has been made in this field in the last two years, with significant gasoline price increases of over 30 percent and similar increases in electric rates. These prices are still well below world market levels, however.)

- Eliminate redundant workers in public sector enterprises.

While these measures alone cannot solve all of Egypt's economic problems, A.I.D. believes that, if well implemented, they can go a long way toward improving productivity and improving the country's public finance situation. The USAID Mission in Cairo will monitor progress in these and other areas of policy reform in close consultation with the Egyptian Government. The Government has set quantitative targets for most of its reform programs which are in line with some of the recommendations of the International Monetary Fund (IMF), World Bank and A.I.D.

A.I.D. ASSISTANCE STRATEGY

The past decade has marked a shift of the Egyptian economy from one that was inward looking and almost completely public-sector dominated to one open to international investment and more favorable to private sector initiatives. The A.I.D. program has also evolved in accord with Egypt's needs and economic orientation by:

-- continuing to encourage, support, and respond to specific Government of Egypt policy changes, particularly in the area of economic reforms. A.I.D. will direct its investments to sectors where significant policy reforms are made.

-- promoting a favorable climate for private investment, both domestic and foreign, channels resources increasingly through Egypt's private sector, and encourages reliance on free-market pricing.

U.S. assistance in the 1970's centered on the immediate needs to replace or repair infrastructure damaged by war or neglected as a result of Egypt's extraordinary defense expenditures. It also provided assistance to Egypt's ailing public sector industries and financed crucial commodity imports to sustain the Egyptian economy during this period of recovery.

In the 1980's the emphasis on infrastructure has evolved into a program to develop new, rather than repair existing, infrastructure. Support for the balance of payments continues as a key objective of the development strategy. Cash transfers have become a prominent feature of the program in recent years, and commodity imports are being channeled increasingly to the private sector. Finally, in the 1980's A.I.D. has given increased program emphasis to longer-term investments in the development of human resources and productive technologies

Sectoral Programs:

The U.S. program of economic assistance to Egypt has four major emphases:

- Balance of payments support to promote stability and growth while the Egyptian Government goes through the difficult process of economic policy reform;

- development of economic infrastructure;

- improvement of productivity in private sector agriculture and industry;

and

- development of human resources.

To promote stability and fuel overall economic growth, annual cash transfers have joined the Commodity Import Program (CIP) and Food For Peace Title I concessional sales as the principal balance of payments tools. These programs provide direct support of near-term economic stability and will be increasingly shaped to play a role in attaining the Mission's longer-term productivity objectives. While the A.I.D. strategy since 1975 has been to support short-term economic stability, the United States and the Government of Egypt (GOE) recognize that policy changes will be required to ensure self-sustaining growth and stability over the longer term. The two governments have begun a policy dialogue to discuss what those policy changes should be and the rate at which they should occur. The cash transfer and PL 480 programs support that dialogue. PL-480 will be gradually reduced to encourage the Egyptians to meet more of their food needs through local production. And A.I.D.'s goal is to reduce the public sector C.I.P. as it increasingly channels U.S. support for commodity imports through private sector projects. The overall level of commodity imports is expected to hold steady at $200 million annually.

To lay the foundation for increased production and facilitate the delivery of community services, A.I.D. will continue to finance the expansion of Egypt's economic infrastructure. This program will concentrate on water and wastewater systems (the highest priority in the Egyptian Five Year Plan) and on electricity generation and distribution. In conjunction with the infrastructure activities, A.I.D. will provide Egyptian institutions with technical assistance and training to strengthen their capabilities to maintain and operate the infrastructure. At the community level, A.I.D. will continue to support the efforts of village and urban communities to improve local infrastructure through the Government's decentralization program. In this area, A.I.D. and the GOE will focus on generating adequate revenues to sustain local development.

To promote gains in industrial and agricultural productivity, A.I.D. will encourage GOE policy changes, promote private sector responses to economic needs, and assist the development and dissemination of productive technologies. A.I.D. will not provide further project financing for public sector industries.

Among public policies, state management of the economy, an unresponsive financial system, government pricing, and inadequate maintenance budgets contribute to present low levels of productivity. A.I.D. addresses these problems through a serious policy dialogue with the senior Egyptian Government leaders. At the project level, A.I.D. will continue to support activities that address these policy problems to improve productivity in industry and agriculture.

A.I.D. will increase support to Egypt's private sector, because private enterprises are more efficient than government agencies at the production and distribution of most goods and many services. The program will include short and medium term credit to help entrepreneurs finance imports of raw materials and capital equipment. It will also provide support to small scale enterprises, credit and extension services for small farmers, support for increased private marketing of agricultural inputs and outputs, and technical assistance and feasibility studies for private investments. Through these programs, A.I.D. will support liberalization of the economy and encourage a more balanced mix between the public and private sectors.

A.I.D. will also support private sector productivity gains through improved technologies. Support to the Egyptian research and development community and in resource planning and management will increase productive efficiency economy-wide in the medium and long term. In the agriculture sector, A.I.D. will support research and extension activities to continue the development of improved technologies and to facilitate the adoption by farmers of both new and existing technologies.

To improve the living conditions of the Egyptian people and to improve their productivity at work, U.S. assistance will continue to support the development of human resources. In health, A.I.D. will focus on improving child survival rates, developing private health services on a cost-recovery basis, and developing a program to control schistosomiasis. In population, A.I.D. will support Egyptian public and private programs to spread modern family planning methods. In education, A.I.D. resources will continue to build rural primary schools and to upgrade professional capabilities through training programs in the United States and in Egypt.

PROGRAM MANAGEMENT

In FY 1985 program implementation continued to accelerate. ESF expenditures totalled a record $1,270 million, including a $250 million supplemental cash transfer. Contributing to this record was the fact that the $102 million FY 1984 cash transfer was not actually disbursed until early in FY 1985. Total expenditures, including PL-480, totalled $1,508.5 million. For the third consecutive year the pipeline of obligated but unexpended funds fell, from a peak of $2.7 billion at the end of FY 1982 to $2.5 billion a year later, $2.4 billion at the end of FY 1984 and $2.2 billion at the end of FY 1985. The Private Sector Production Credit (263-0147) project doubled its expenditures in FY 1985, and the power generation, health, and population sectors registered sizable gains in expenditures. But more aggressive monitoring by A.I.D. staff across the board and the maturing of the program as a whole are the basic reasons for continued improvement in the pace of implementation.

Performance in FY 1986 and 1987 should remain strong. Total expenditures will have peaked in FY 1985, due largely to the disbursement of three cash grants totalling $452 million -- one obligated in FY 1984 and two (including $250 million in supplemental appropriations) obligated in FY 1985. Project expenditures should exceed obligations in both FY 1986 and 1987. A.I.D. expects that projects in agriculture, water and sewerage, training, and health will increase expenditures significantly in FY 1986. In FY 1987 the electrical power, water and sewerage, and private sector industry programs will reach their peak implementation phases, and the decentralization program will continue to maintain high disbursement rates while developing local infrastructure and institutional capacities.

Consolidating the program into fewer projects and programs is enabling A.I.D. to direct management attention to implementation. This consolidation also increases the impact of the program in key sectors, and reduces staff and management costs. A variety of projects in the governorates have already been brought together under the umbrella of the Local Development/Decentralization program. Three training projects were combined into one new project in FY 1985. Private sector credit projects will be consolidated in FY 1986. The infrastructure, health, and agriculture portfolios will also be narrowed to focus on fewer, key problems. The A.I.D. project portfolio has decreased from 82 active projects at the end of FY 1983 to 71 at the close of FY 85. That trend is expected to continue to 57 projects in FY 1986 and about 41 by the end of FY 1987.

Another important step toward improved and more flexible program administration was taken late in FY 1985 when, exercising the current deobligation/reobligation authority, A.I.D. and the GOE deobligated $30.4 million from projects and the CIP. This action reflected the commitment of both governments to improve program implementation. It also permitted the orderly closing of several old projects. This authority has been an important management tool by which the Ministry of Planning and International Cooperation (MPIC) and A.I.D. have been able to take corrective action on slow-moving activities and channel resources into higher priority areas; i.e., the new Private Enterprise Credit Project (263-0201).

A.I.D. emphasizes evaluation as a tool for improved program management. The annual evaluation planning process gives priority to pilot and problem projects and to activities particularly relevant to future programming. A.I.D. will continue to use sector-wide evaluations when appropriate to assess its overall experience in key sectors and to make recommendations to increase project effectiveness. In 1986, A.I.D. plans to undertake an Electricity Sector Assessment, to determine the aggregate impact and recurring cost implications of AID's electricity projects and to provide directions for future activity in this sector. A.I.D. also plans to increase emphasis in the design of new projects on built-in monitoring and evaluation systems that provide continuous feedback on project progress and impact. The recent establishment of a new Office of Planning and Evaluation should facilitate incorporation of evaluation lessons learned into the design of projects and redesign of ongoing projects.

Recent evaluations have assisted A.I.D. and the GOE in resolving specific implementation problems. Aquaculture (263-0064), for example, had a history of implementation problems causing construction to fall seriously behind schedule. On the recommendation of the 1985 project evaluation, several of these problems are being remedied through the provision of additional technical assistance in management and engineering. The 1984 Basic Education (263-0139) evaluation revealed that certain project-funded school equipment items were not properly used. The Ministry of Education subsequently took corrective action to ensure appropriate utilization of project-funded equipment. Evaluation recommendations have also led to modifications in project designs and/or implementation plans to improve project effectiveness. The 1985 evaluation of the Control of Diarrheal Diseases (263-0137) project made the surprising recommendation that the highly successful mass media campaign be temporarily discontinued. In the evaluator's assessment, the campaign had been so successful that demand for oral rehydration salts (ORS) had outstripped existing capacity to provide oral rehydration supplies and services. As a result of the evaluation, ORS production was increased, training of additional health personnel in OR therapy was accelerated, and the media program was briefly suspended until supply of the salts caught up with demand.

Finally, recent evaluations have played a key role in shaping new activities. The design of Local Development II (LD II) (263-0182), the "second-generation" decentralization program, seeks to rectify problems identified during evaluations of the Decentralization Sector Support I (DSS I) (263-0161) program. Every evaluation of DSS I projects, for example, identified inadequate planning and budgeting for operations and maintenance of project-financed infrastructure as a major problem. Consequently, LD II now gives as much emphasis to operating and maintaining completed infrastructure projects as it does to developing local government capacity to plan and to implement new projects. LD II provides for a substantial evaluation component, including development of a monitoring and evaluation system to enable project management to track progress in both physical and institutional indicators, as well as to identify problems, on an ongoing basis. The design of the recently approved institutional support project in the water and wastewater sector draws extensively on findings and recommendations of the 1985 Water and Wastewater Assessment. This Assessment was a new approach to evaluation in A.I.D., in that it reviewed all of A.I.D.'s substantial investments in the sector and explored sector-wide issues, rather than evaluating individual projects within the sector. The Assessment reinforced A.I.D.'s growing perception of the need to complement capital investments in the sector with improved institutional and management capacity to operate and to maintain them. The project incorporates specific approaches recommended by the evaluation for training in O&M and for developing a policy planning capability in GOE institutions.

Improvement of program management is augmented by the audit program of the Regional Inspector General located in Cairo and by audits of host country contracts performed by non-federal auditors. During FY 1985 RIG audited nine projects and made 38 recommendations. These recommendations, now being implemented, will result in accounting for several million dollars of equipment and supplies purchased with project funds, recovery of questioned costs, liquidation of outstanding advances, establishment of proper accounting systems for A.I.D. funds in host government agencies, improved utilization of vehicles and equipment, and implementation of A.I.D.'s contract close-out procedures. A.I.D. has recently launched a $1.5 million program to audit host country contracts between US contractors and the Government of Egypt worth $400 million. These audits will be conducted by a major United States accounting firm, and their results are scheduled for implementation by September, 1986.

A.I.D. PROGRAM (FY 1985-1986)

In FY 1985, A.I.D. obligated $1,303.2 million in the Egypt program, $1,065 million in ESF (including $250 million in supplemental appropriations as part of a two-year $500 million supplemental) and $238.2 million under PL 480. Obligations of $1,251.3 million is planned for FY 1986, $1,031.4 million in ESF (including $250 million of 1985 supplemental funding and $1.4 million no year funds deobligated in FY 1985) and $219.9 million in PL-480 assistance. In addition, $28.9 million deobligated from prior years' programs will be reobligated in FY 1986. The program continues its concentration in four broad areas: balance of payments support, economic infrastructure, agricultural and industrial production, and human resources development.

Balance of Payments:

Sixty percent of U.S. economic assistance to Egypt in FY 1985 was provided under the CIP ($200 million), cash transfer ($350 million) and PL 480 Title I ($225 million) programs. Seventy percent is planned for FY 1986. A combination of CIP and cash grants totalling $504 million will provide foreign exchange relief. In FY 1986, the PL-480 Title I program will decline moderately to $213 million.

A.I.D. and the Egyptian Government will continue efforts to expand the role of the CIP program beyond traditional balance of payments support to include support of the capital needs of the GOE development budget. A.I.D. will also attempt to maximize the development impact of this program by ensuring that commodity selection criteria, recently developed by the Egyptian Government to steer CIP allocations to more developmentally significant commodities, are applied. The program now provides funding for two distinct categories of commodities: (1) grains and industrial raw materials, and (2) capital goods. The grains and raw materials group includes such items as corn, tallow, sulphur, coking coal, tobacco, wood pulp, polyester fiber, tinplate and industrial chemicals. Capital goods include machinery, equipment, spare parts, and other such items to modernize and enhance the efficiency and productivity of manufacturing and commercial ventures. The recent CIP evaluation has also provided recommendations on appropriateness of imports, efficiency of operations, and information systems to improve program management and development impact. For FY 1985 $200 million was provided through the public sector CIP. A.I.D. plans a reduction in public sector CIP to $150 million for FY 1986 to continue the shift in commodity imports to private sector programs (described below).

A.I.D. will provide a total of $710.1 million in cash grants in FYs 1985 and 1986. Congress provided $500 million of this amount through a supplemental appropriation for the two-year period. The cash grant mechanism allows quick disbursement to support immediate balance of payments requirements.

The PL-480 Title I program provided $225 million of wheat and wheat flour to Egypt in FY 1985, $213 million is planned for FY 1986. The "self-help" provisions of the Title I Sales Agreement include GOE intentions to improve public policies and programs to increase agricultural production. Under the 1985 agreement, the GOE has continued to address such important issues as farm prices and subsidies and input pricing and distribution, and it has begun to emphasize the introduction of improved agricultural technologies. The Government has adhered to its agreement that, starting in FY 1984, it would engage in a yearly dialogue with the object of improving price incentives to encourage the Egyptian farmer. Price increases for many important crops have been significant in recent years. The GOE raised procurement prices for cotton, rice, and wheat, for example, by 28 percent, 18 percent, and 38 percent during 1985. Only the price of wheat, however, seems likely to reach world price levels by the Government's target year of 1987.

Infrastructure:

A.I.D. obligated $365 million in FY 1985 and plans to obligate $301 million in FY 1986 for the rehabilitation, modernization, and expansion of Egypt's capital infrastructure base. These amounts include the decentralization program, which finances community infrastructure.

The largest component of this infrastructure program is the rehabilitation and expansion of water and wastewater systems, primarily in Cairo and Alexandria. A.I.D. has closely monitored GOE performance in policy reform and institution building in this sector over the past year and a half to ensure conformance with the terms of the Memorandum of Understanding (MOU) signed by Egypt and the United States in January 1984. The MOU established the intention of A.I.D. to provide substantial support for water and sewerage systems if the GOE makes satisfactory progress in policy reform and institution building to ensure a continuing capacity to manage, operate, maintain, replace, and expand water systems. A.I.D. provided $200 million in FY 1985 following its assessment of satisfactory performance by the GOE in the areas of water tariffs and operations and maintenance for water and wastewater systems. Of this total, $195 million continued funding for the $816 million Cairo Sewerage II (263-0173) project, begun in FY 1984. The remaining $5 million provided the first tranche of funding for the Water and Wastewater Institutional Development (263-0176) project, a five-year initiative aimed at improving management and maintenance of these large investments. Later in FY 1985 $30 million in additional funding was provided through the Provincial Cities Development (263-0161.3) project for improvement of the water and sewerage systems of three cities in or near the lower Nile Valley. A.I.D. will provide another $116.6 million in FY 1986: $66.6 million for the Cairo Sewerage II project (263-0173) and a further $50 million to continue work in the three provincial cities (263-0161.3). The decentralization program (discussed below) also supports smaller water supply and wastewater projects at the village and neighborhood levels.

To date, over a million Cairo residents are benefitting from significantly reduced flooding as a result of the Cairo Sewerage (263-0091) project. A.I.D.-financed water and wastewater activities in the provincial cities have strengthened the local private sector's capacity to design and construct wastewater infrastructure and have improved the administrative practices and contracting procedures of local water and wastewater authorities.

In the energy sector, A.I.D. provided $34.8 million in FY 1985 for construction of a fourth turbine generation unit at the Shoubrah El Kheima Thermal Power Plant (263-0030) and $21.2 million to continue expansion and rehabilitation of the electrical distribution systems of Cairo, Alexandria and two provincial cities (263-0033). In FY 1986, A.I.D. will provide $20.2 million to complete construction of the fourth generating unit at the Shoubrah Power Plant (263-0030), $15 million in final funding to complete replacement of the turbine runners of the High Dam Hydroelectric Power Station at Aswan (263-0160), and $60 million for construction of a 90 MW combined cycle add-on plant at the Talkha (263-0196) gas turbine power plant. If the GOE continues the satisfactory progress made over the past year in raising electricity tariffs toward world market levels, A.I.D. will consider further investments in power generation in the coming years.

The Local Government/Decentralization program is a key element of the A.I.D. infrastructure program. It encompasses both economic and social infrastructure. The program provides partial funding for community investments in infrastructure (potable water, sewerage, rural access roads, schools, health clinics, etc.). It also supports local enterprise activities and indigenous PVO programs benefiting low income people. These small projects are helping local officials learn to select, design, implement, and maintain public investments. A.I.D. provided a total of $79 million in FY 1985, $18 million to complete the Decentralization I (263-0161) program and $61 million to initiate phase II (263-0182). The program has provided improved services and income producing activities to more than 35 million Egyptians through more than 6,000 completed or ongoing subprojects. By the end of FY 1985, 1,910 projects had built or expanded village water systems for rural Egyptians, more than 3,000 kms of feeder roads had been built, classrooms serving 60,000 children had been constructed, and local Private Voluntary Organizations (PVOs) had equipped nearly 300 clinics. Village councils have received 890 loans for productive activities, with an increasing proportion of loans passed directly to small private businesses. The phase II program will continue support for the planning and provision of basic services by locally elected councils, and it will place increased emphasis on mobilizing local resources to ensure adequate financing of operations and maintenance and on improvement of the climate for development of private enterprise. A.I.D. plans $95 million in support for the decentralization program (263-0182) in FY 1986.

Agricultural and Industrial Productivity:

United States assistance to Egyptian agriculture totalled $50.4 million in FY 1985 and will increase to $70 million in FY 1986. As these levels increase, A.I.D. is consolidating the existing agriculture program to fewer projects and sharpening its focus to address major policy issues more directly. These issues include movement toward free market pricing for all agricultural commodities, development of an appropriate water conservation scheme, and an increased role for the private sector in the marketing of agricultural inputs and outputs. In FY 1985 A.I.D. programmed $5.4 million to complete the ongoing Major Cereals Improvement (263-0070) project, $15 million to continue the Irrigation Management Systems (263-0132) project and $30 million to begin a long term National Agricultural Research (263-0152) program. Additionally, A.I.D. and the GOE plan to consolidate five ongoing agricultural projects in FY 1985 and 1986 and to continue successful activities under three basic programs - research and extension, agricultural credit, and irrigation. The program will continue to benefit from the lessons of recent experience. For example, recommendations from the evaluation of the Rice Research and Training (263-0027) project have led to in-country training better tailored to trainee needs and improved inventory control of project-funded commodities.

Under A.I.D. projects to date, over 52,000 small farmers on 100,000 acres have demonstrated improved rice, wheat, and major cultivation technologies to millions of their farming neighbors. Acreage of rice, wheat, and maize under improved practices has increased substantially, and increases in yields in project areas have ranged between 52 and 84 percent over the national average yields. In three governorates, 41,000 farmers have received assistance through a combination of credit and extension. Over 3,000 structures have been built in five directorates to help control irrigation water and improve access to fields. Also, consistent with the "self help" reforms included in the PL 480 Title I Program, in FY 1985 the GOE increased by about one third prices for wheat, winter onions, and groundnuts and announced a 28 percent increase in the average cotton procurement price and a 28 percent increase in the procurement price for rice.

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In FY 1986 A.I.D. will obligate $15 million and $20 million respectively to continue the national agricultural research and irrigation programs (263-0152, 263-0132), and $35 million to begin a new Agricultural Production Credit project (263-0202). This new project expands and builds on the success of the innovative Small Farmer Production (263-0079) project. Activities under these projects will continue policy dialogue with the GOE on reform of farm output and input prices, in tandem with the PL 480 self-help program. They will also broaden the role of the private sector in the marketing of agricultural crops and the distribution of inputs and extension services to farmers, strengthen the effectiveness of research and technology generation and extension, improve data collection and use, improve efficiency of irrigation, and continue and expand support for small farm production and credit.

A.I.D.'s assistance to Egyptian industry continues to emphasize the private sector. In FY 1985 an amendment to the ongoing Production Credit project (263-0147) provided an additional $20 million in short-term foreign exchange credits to finance imports from U.S. suppliers for Egyptian private sector firms. In response to improved GOE and participating bank performance in establishing sound medium term credit facilities for productive private investments, A.I.D. provided $22.2 million in FY 1985 for foreign exchange credits through the Private Investment Encouragement Fund (263-0097). In FY 1986, $3 million will support Private Sector Feasibility Studies (263-0112) to encourage increased local and external private industrial investments. The decision to add funding to this activity was based in part on 1984 evaluation findings which indicated that the availability of these services helped to create a climate conducive to U.S. investment. In FY 1986 A.I.D. will provide $80 million (including the $50 million reduction from the public sector CIP program) to initiate the Private Enterprise Credit (263-0201) project, a major new umbrella credit program that will incorporate the existing short-term foreign exchange credit and medium-term production credit programs and provide start-up support for a small-scale industry program. During FY 86 the medium term credit component is expected to provide extensive credit to new feeder businesses in the automotive industry.

A.I.D. cross sectoral assistance in science and technology totalled $11 million in FY 1985 and will rise to $18 million in FY 1986. The program includes assessment of mineral, petroleum, and groundwater resources (263-0105), for which $9 million was provided in FY 1985 and a final $7 million will be provided in FY 1986. A.I.D. provided $2 million in FY 1985 for planning for energy policies and development of renewable energy resources (263-0123) and will complete funding for this program with $8 million in FY 1986. In FY 1986 $3 million will fund a new umbrella project (263-0140), which will include all new S&T initiatives. Its major components will be critical childhood diseases, land use, energy conservation, and a research grant program focused on key development problems.

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Human Resources:

A.I.D.-financed programs in education, training, population, health, and nutrition were funded at $54.6 million in FY 1985 and will be increased to $77.9 million in FY 1986.

The Technology Transfer and Manpower Development (263-0026) and Peace Fellowships (263-0110) training programs to date have improved the technical and management skills of some 1,900 Egyptian administrators and technicians and provided over 1,000 fellowships to Egyptian leaders for U.S. study in disciplines critical to Egypt's economic growth. In FY 1985 funding of $12 million will continue these activities until they can be incorporated into the new Development Training (263-0125) project. This project received start-up funding of $4 million in FY 1985 and will consolidate the A.I.D. training activities into a single project that improves coordination and cost effectiveness of training. A final $3 million was provided for the University Linkages (263-0118) project in FY 1985 to continue support for improvement of Egypt's applied research capacity through financing of joint Egyptian/US applied research subprojects. In FY 1986, A.I.D. will obligate $38 million for education and training, $18 million to continue the new Development Training project and $20 million to continue the highly successful and visible Basic Education (263-0139) project, which is building primary schools in rural Egypt. Under the Basic Education program, 200 primary schools have been built, another 200 are under construction, and 200 more are in the planning stages. The project has equipped hundreds more. This project has substantially improved access to basic education, particularly for girls.

A.I.D. provided $6 million in FY 1985 and plans $18 million in FY 1986 to support development of a GOE strategy and program to deliver modern family planning services nationwide (263-0144). The GOE made initial progress toward developing a more effective strategy and program with the issuance in January 1985 of presidential decrees establishing a National Population Council (NPC) to coordinate population family planning activities in the country and appointing a highly capable and committed Secretary General to head it. Still, considerably more government commitment will be necessary to deal effectively with Egypt's population problem. There have been some encouraging signs of progress, however. Between 1980 and 1985 the percentage of Egyptian couples of reproductive age using modern contraception increased from 24 to 28 percent. Also encouraging was a 26 percent increase during the last year in the couple years of contraceptive protection provided through an A.I.D.-supported commercial retail sales program. The bulk of FY 1985 and 1986 funding will support NPC efforts to develop appropriate family planning policies and strategies, design and implementation of service delivery projects, and importation of contraceptive commodities.

A.I.D. resources in the health sector are currently shifting from an emphasis on improving health delivery systems to a narrower emphasis on reducing the unacceptably high mortality and morbidity caused by largely preventable childhood diseases and excess fertility. In FY 1985, A.I.D. provided $13.4 million in final funding for existing projects (263-0065, 263-0136) focused on improving delivery of health services generally. To improve implementation of rural health delivery, the Ministry of Health accepted evaluation recommendations to make its line offices, rather than the project unit, responsible for carrying out project interventions and to institutionalize the project unit as an R&D unit for health service delivery. A.I.D. obligated $3 million in FY 1985 to begin the $73 million Child Survival project (263-0203) which will focus preventive health measures on four major causes of morbidity and mortality among young children and their mothers. This project will receive another $15 million in FY 1986. In FY 1985 work also began to develop a major new program to increase participation of the private sector in providing health care services. The existing diarrheal disease control (263-0137) project will continue implementation through FYs 1985 and 1986. Since introduction of the oral rehydration therapy (ORT) program under this project, infant mortality rates in the Alexandria Governorate have decreased during the high diarrheal season (May to August) from 30 per thousand to 20 per thousand.

The PL 480 Title II program addresses nutritional deficiencies of children and their mothers through the distribution of food by CARE and CRS. In FY 1985 1.2 million children received nutritious lunches under a School Lunch Program; 900 thousand mothers and infants received instant corn-soy milk, milk powder and vegetable oil in maternal child health centers throughout Egypt; and 24 thousand children attending day care centers and orphanages and 67 thousand Bedouins in the Sinai received dietary supplements of milk powder, bulgur wheat, vegetable oil and wheat flour. The Title II program in Egypt was funded at $ 13.2 million in FY 1985, and $6.9 million is planned for FY 1986. The Title II program began a gradual phase out in FY 1985 which will be completed in FY 1989.

REQUESTED YEAR PROGRAM (FY 1987)

A.I.D. requests $815 million in ESF funds and $189.9 million in PL 480 commodities for FY 1987 economic assistance to Egypt.

Balance of Payments:

C.I.P. funding of $100 million is requested to finance U.S. imports for the public sector in such categories as machinery, equipment, spare parts, industrial raw materials, grains, and semi-finished goods needed to increase domestic production and maintain essential public services. This funding level represents a $50 million reduction from FY 1986 in public sector support under the C.I.P. program as A.I.D. continues the shift to more private sector assistance (through the Private Enterprise Credit Project 263-0201 - see below). A cash transfer of $115 million is also requested for balance of payments support.

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A.I.D. will provide $185 million in PL-480 Title I resources to fund approximately 1.4 million metric tons of wheat and wheat flour (equivalent) against estimated import requirements of 7.24 million tons. Self help measures will continue to focus on key constraints to increased agricultural production such as the present structure of producer prices and farm production incentives, inappropriate agricultural input subsidies, and inadequate participation of the private sector in marketing and distribution of inputs.

Infrastructure:

A.I.D. requests $297 million to assist the Government of Egypt to continue to rehabilitate, modernize, and expand the country's capital infrastructure base. This request encompasses: (1) $167 million for continuing water and sewerage projects, which includes institutional development support (263-0173, 263-0174 and 263-0176); (2) $85 million to continue the development of local infrastructure (263-0182); (3) $25 million for the promotion of popular participation in the local decision-making process relevant to infrastructure projects through the government's decentralization program (263-0161); and (4) $20 million to complete construction of the combined cycle addition to the power plant at Talkha (263-0196).

Agriculture and Industrial Productivity

To promote increased agricultural production, A.I.D. is requesting $100 million in FY 1987. This request will provide $20 million each to two ongoing projects, for Irrigation Management Systems (263-0132) and National Agricultural Research (263-0152); $40 million to the Agricultural Production Credit Project (263-0202) scheduled for implementation in FY 1986; and $20 million for a new nitrogen fertilizer manufacturing plant (263-0186) planned to begin in FY 1987. Final plans for the fertilizer plant will be predicated on the Egyptian Government's agreement to reduce fertilizer subsidies, equity in the plant for the private sector, and private sector particpation in the distribution and marketing of the fertilizer.

Another $115 million is being requested for the Private Enterprise Credit Project (263-0201) to be initiated in FY 1986 which will be targeted solely for private sector development. Most of the funds in this project are used for commodity imports. In FY 1986, funding for this project included $50 million that would have otherwise supported the public sector C.I.P. before we began our shift of C.I.P. funds to the private sector.

Selected ongoing cross-sectoral programs in science and technology will be continued under the S&T for Development (263-0140) project with $10 million in U.S. assistance. With this funding USAID will assist the GOE to mobilize the Egyptian science and technology community for the purpose of pinpointing critical development problems and structuring selected comprehensive S&T projects to develop both technological solutions and the means for their practical application. In addition, $5 million will fund the Technical Cooperation and Feasibility Studies Project (263-0102). This assistance will finance further feasibility and technical studies, general and sector studies, pre-project and project design activities, and evaluations and sector assessments.

Human Resources:

A.I.D. requests $73 million for human resources development in FY 1987, with an additional input of $4.9 million from PL 480 Title II funds.

Education and training programs will require $43 million: $18 million for continuation of the Development Training Project (263-0125) and $25 million to continue successful activities implemented under the Basic Education Project (263-0139), which includes the provision of instructional materials and construction of schools.

The U.S.-funded health and population programs will require $30 million in FY 1987. This request includes $10 million to continue the Child Survival Project (263-0203), $5 million to begin funding the Private Sector Health Project (263-0170), and $15 million to continue support for the expansion of family planning services. Also, $4.9 million in PL 480 Title II resources is planned for PVO feeding programs (263-0170).

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
COMMODITY IMPORT PROGRAM VII		L	263-K052	79	79	250,000	248,837	250,000	247,374	---	500	---	---
COMMODITY IMPORT PROGRAM XII		L	263-K054	80	80	250,000	249,780	250,000	245,623	---	800	---	---
COMMODITY IMPORT PROGRAM		G	263-K603	81	81	230,000	227,084	230,000	193,960	---	17,000	---	---
COMMODITY IMPORT PROGRAM		G	263-K604	82	82	350,000	345,123	350,000	248,442	---	50,000	---	---
COMMODITY IMPORT PROGRAM		G	263-K606	83	83	301,055	301,055	301,055	126,953	---	50,000	---	5,000
COMMODITY IMPORT PROGRAM		G	263-K607	84	84	300,000	300,000	300,000	---	---	75,000	---	70,000
CASH TRANSFER		G	263-K608	84	84	---	---	101,894	---	---	---	---	---
CASH TRANSFER	*	G	263-K61A	87	87	---	115,000	---	---	---	---	115,000	115,000
COMMODITY IMPORT PROGRAM (PUB SEC)	*	G	263-K618	87	87	---	100,000	---	---	---	---	100,000	---
COMMODITY IMPORT PROGRAM		G	263-K610	85	85	200,000	200,000	---	---	---	56,700	---	60,000
SUPPLEMENTAL CASH TRANSFER		G	263-K611	85	86	500,000	500,000	---	---	250,000	250,000	---	---
GOVERNMENT COMMODITY IMPORT PROGRAM		G	263-K612	86	86	---	150,000	---	---	143,552	---	---	50,000
CASH TRANSFER		G	263-K613	86	86	---	115,000	---	---	110,059	110,059	---	---
ISMAILIA THERMAL POWER PLANT		G	263-0009	76	83	254,000	250,000	250,000	153,808	---	22,448	---	9,753
MAHALLA TEXTILE PLANT REHABILITATION		L	263-0010	76	76	93,000	91,020	93,000	91,020	---	---	---	---
SUEZ CEMENT PLANT		G	263-0012	76	86	100,000	105,000	100,000	99,882	5,000	3,000	---	2,117
STRENGTHENING RURAL HEALTH DELIVERY		G	263-0015	76	84	14,900	13,900	14,900	8,186	---	4,393	---	---
APPLIED SCIENCE AND TECHNOLOGY RESEARCH		G	263-0016	77	80	24,400	22,960	24,400	16,242	---	3,600	---	1,200

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
WATER USE AND MANAGEMENT		G	263-0017	76	81	13,000	12,929	13,000	12,860	---	---	---	---
DEVELOPMENT INDUSTRIAL BANK I		L	263-0018	76	76	32,000	30,176	32,000	30,175	---	---	---	---
PVC PIPE DRAINAGE		L	263-0019	76	76	20,025	19,211	20,025	16,029	---	25	---	---
NATIONAL ENERGY CONTROL CENTER		G	263-0023	76	80	2,500	2,500	2,500	445	---	400	---	999
NATIONAL ENERGY CONTROL CENTER		L	263-0023	76	80	41,000	41,000	41,000	35,975	---	2,113	---	---
TECHNOLOGY TRANSFER AND MANPOWER DEV III		G	263-0026	77	85	40,500	40,500	34,500	28,582	---	4,377	---	5,018
RICE RESEARCH AND TRAINING		G	263-0027	77	81	21,767	21,267	21,767	8,793	---	5,716	---	---
GRAIN SILOS STORAGE		G	263-0028	75	83	13,500	9,664	13,500	5,017	---	1,154	---	---
GRAIN SILOS STORAGE		L	263-0028	75	83	44,275	43,354	44,275	42,864	---	132	---	---
FAMILY PLANNING		G	263-0029	77	85	67,400	67,400	67,400	51,889	---	8,723	---	---
SHOUBRA EL KHEIMA THERMAL POWER PLANT		G	263-0030	79	86	263,000	263,000	208,000	160,650	20,183	13,176	---	40,000
AGRICULTURAL MECHANIZATION		G	263-0031	79	80	40,000	39,100	40,000	25,122	---	9,835	---	---
URBAN ELECTRIC DISTRIBUTION		G	263-0033	77	85	51,188	51,188	30,000	3,599	---	4,530	---	16,289
URBAN ELECTRIC DISTRIBUTION		L	263-0033	77	85	46,012	46,012	46,012	40,990	---	566	---	---
CANAL MAINTENANCE		L	263-0035	77	79	25,000	24,629	25,000	24,629	---	---	---	---
GRAIN TOP STORAGE AND DISTRIBUTION		L	263-0037	77	82	37,000	35,471	37,000	35,471	---	---	---	---
CAIRO WATER SUPPLY		G	263-0038	77	82	61,400	61,400	61,400	29,701	---	13,314	---	---
CAIRO WATER SUPPLY		L	263-0038	77	82	30,000	30,000	30,000	29,623	---	377	---	---
IRRIGATION PUMPING		G	263-0040	77	80	8,000	7,787	8,000	7,612	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURAL DEVELOPMENT SYSTEMS	G	263-0041	77	83	14,900	14,900	14,900	13,598	---	979	---	---
TECHNICAL AND FEASIBILITY STUDIES IV	G	263-0042	78	81	31,000	28,700	31,000	23,244	---	3,795	---	---
DEVELOPMENT INDUSTRIAL BANK II	G	263-0045	78	78	2,000	1,583	2,000	1,111	---	216	---	---
SUEZ PORT DEVELOPMENT	L	263-0047	78	78	11,321	10,204	11,321	7,751	---	20	---	---
CANAL CITIES WATER AND SEWERAGE	G	263-0048	78	83	109,000	109,000	109,000	43,638	---	33,720	---	3,427
CANAL CITIES WATER AND SEWERAGE	L	263-0048	78	83	60,000	60,000	60,000	59,384	---	---	---	---
QUATTAMIA CEMENT PLANT	G	263-0052	86	86	---	5,000	---	---	5,000	4,100	---	900
QUATTAMIA CEMENT PLANT	L	263-0052	78	86	95,000	95,030	95,000	85,683	---	2,135	---	---
DEVELOPMENT PLANNING STUDIES	G	263-0061	79	84	22,800	22,800	22,800	15,614	---	2,000	---	2,132
AQUACULTURE DEVELOPMENT	G	263-0064	78	80	27,500	23,400	27,500	10,399	---	10,987	---	---
URBAN LOW-COST HEALTH DELIVERY	G	263-0065	80	85	45,553	45,553	37,253	12,464	---	16,303	---	10,381
HOUSING AND COMMUNITY UPGRADING	G	263-0066	78	81	80,000	80,000	80,000	34,983	---	17,817	---	11,430
MAJOR CEREALS IMPROVEMENT SYSTEM	G	263-0070	79	80	52,400	52,400	47,000	36,992	---	5,795	---	---
PORT SAID SALINES PLANT	G	263-0072	77	77	13,000	12,746	13,000	12,046	---	---	---	---
TELECOMMUNICATIONS II	G	263-0075	79	79	80,000	80,000	80,000	67,220	---	---	---	---
SMALL FARMER PRODUCTION	G	263-0079	79	84	49,000	49,000	49,000	19,306	---	10,660	---	10,734
ALEXANDRIA SEWAGE I	L	263-0089	77	77	---	---	15,000	14,762	---	---	---	---
INDUSTRIAL PRODUCTIVITY IMPROVEMENT	G	263-0090	80	81	39,000	39,000	39,000	13,083	---	12,896	---	5,602
CAIRO SEWAGE	G	263-0091	78	81	129,000	129,000	129,000	62,736	---	27,423	---	8,700

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURAL COOPERATIVE MARKETING		G	263-0095	79	79	4,842	4,724	4,842	4,724	---	---	---	---
SMALL SCALE AGRICULTURE ACTIVITIES		G	263-0096	79	79	1,700	1,608	1,700	1,608	---	---	---	---
PRIVATE INVESTMENT ENCOURAGEMENT FUND		G	263-0097	79	79	33,000	33,000	10,805	805	---	15,000	---	17,195
ALEXANDRIA WASTEWATER SYS. EXPANSION II		G	263-0100	79	84	198,700	198,621	198,621	31,112	---	46,608	---	70,680
INDUSTRIAL PRODUCTION		G	263-0101	78	81	83,555	83,555	83,555	21,936	---	20,029	---	19,917
INDUSTRIAL PRODUCTION		L	263-0101	78	81	46,445	46,445	46,445	9,040	---	16,894	---	8,000
TECH CO-OP AND FEASIBILITY STUDIES		G	263-0102	83	88	30,000	30,000	15,000	98	5,000	3,944	5,000	3,000
MINERAL, PETROLEUM & GROUNDWATER ASSESS.		G	263-0105	80	85	37,200	36,700	20,700	8,311	---	7,000	---	11,880
PEACE FELLOWSHIPS PROGRAM		G	263-0110	80	85	60,000	60,000	54,003	33,313	---	8,370	---	5,700
PRIVATE SECTOR FEASIBILITY STUDIES		G	263-0112	79	86	5,000	8,000	5,000	2,353	3,000	1,260	---	1,224
VEHICLE MAINTENANCE TRAINING		G	263-0114	80	80	4,500	4,356	4,500	4,191	---	---	---	---
TAX ADMINISTRATION		G	263-0115	90	83	3,700	3,700	3,700	1,660	---	445	---	250
AGRICULTURAL MANAGEMENT DEVELOPMENT		G	263-0116	80	80	5,000	4,100	5,000	2,616	---	931	---	---
TELECOMMUNICATIONS III		G	263-0117	80	82	122,000	122,000	122,000	31,740	---	27,765	---	7,010
UNIVERSITY LINKAGES		G	263-0118	80	85	27,500	20,500	17,500	8,559	---	4,230	---	1,850
ENERGY POLICY AND RENEWABLE ENERGY FIELD		G	263-0123	82	88	32,600	32,600	12,300	780	8,000	5,223	---	9,740
DEVELOPMENT TRAINING		G	263-0125	85	90	109,000	109,000	---	---	18,000	4,850	18,000	17,800
IRRIGATION MANAGEMENT SYSTEMS		G	263-0132	81	88	139,480	139,480	58,000	23,455	20,000	25,018	20,000	32,044

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SUEZ COMMUNITY HEALTH PERSONNEL TRAINING	G	263-0136	80	85	17,100	15,900	10,800	7,278	---	4,725	---	3,965
CONTROL OF DIARRHEAL DISEASES	G	263-0137	81	81	26,000	26,000	26,000	4,246	---	6,485	---	5,350
BASIC EDUCATION	G	263-0139	81	89	95,000	178,000	85,000	29,800	20,000	20,238	25,000	35,524
SCIENCE AND TECHNOLOGY FOR DEVELOPMENT	G	263-0140	86	91	131,600	131,600	---	---	3,000	---	10,000	4,100
AG DATA COLLECTION AND ANALYSIS	G	263-0142	80	80	5,000	4,892	5,000	1,214	---	3,309	---	---
POPULATION	G	263-0144	83	90	102,600	102,600	20,000	1,858	18,000	9,087	15,000	16,706
PRIVATE SECTOR PRODUCTION CREDIT	G	263-0147	82	85	88,000	98,000	68,000	22,902	---	21,542	---	---
NATIONAL AG RESEARCH PROGRAM	G	263-0152	85	90	30,000	130,000	---	---	15,000	1,170	20,000	7,400
BUSINESS SUPPORT AND INVESTMENT	G	263-0159	83	83	9,100	9,100	9,100	303	---	640	---	550
REHAB AND MODERN OF ASWAN HIGH DAM	G	263-0160	82	86	100,000	100,000	95,000	14,525	15,000	9,907	---	8,397
DECENTRALIZATION PAAD	G	263-0161	78	87	560,200	560,200	462,200	329,181	50,000	60,323	25,000	62,670
SAFAGA GRAIN SILOS COMPLEX	G	263-0165	82	82	80,000	71,310	80,000	24,106	---	15,325	---	12,003
PRIVATE HEALTH SECTOR INITIATIVES	* G	263-0170	87	90	---	50,000	---	---	---	---	5,000	500
CAIRO SEWERAGE II	G	263-0173	84	90	360,300	816,000	165,300	---	66,567	40,600	120,000	86,196
CANAL CITIES WATER & SEWERAGE II	* G	263-0174	87	90	---	360,000	---	---	---	---	37,000	---
WATER/WASTEWATER INSTITUTIONAL DEV	G	263-0176	85	87	15,000	15,000	---	---	---	1,000	10,000	2,750
LOCAL DEVELOPMENT II	G	263-0182	85	90	61,000	550,000	---	---	95,000	19,540	85,000	66,200
FERTILIZER SUPPLY	* G	263-0186	87	89	---	90,000	---	---	---	---	20,000	---

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EGYPT

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TALKHA COMBINED CYCLE	G	263-0196	86	87	---	80,000	---	---	60,000	500	20,000	48,000
PRIVATE ENTERPRISE CREDIT (CIP)	G	263-0201	86	91	---	235,000	---	---	51,021	3,000	115,000	43,000
AGRICULTURAL PRODUCTION CREDIT	G	263-0202	86	90	---	120,000	---	---	35,000	---	40,000	40,000
CHILD SURVIVAL	G	263-0203	85	90	72,942	72,942	---	---	15,000	500	10,000	1,000
TOTAL FOR ACCOUNT					7,274,460	9,784,566	5,583,470	3,175,174	1,031,382	1,262,742	815,000	1,079,283
GRANTS					6,193,382	8,713,427	4,487,392	2,158,781	1,031,382	1,239,180	815,000	1,071,283
LOANS					1,081,078	1,071,139	1,096,078	1,016,393	---	23,562	---	8,000
TOTAL FOR COUNTRY					7,274,460	9,784,566	5,583,470	3,175,174	1,031,382	1,262,742	815,000	1,079,283
GRANTS					6,193,382	8,713,427	4,487,392	2,158,781	1,031,382	1,239,180	815,000	1,071,283
LOANS					1,081,078	1,071,139	1,096,078	1,016,393	---	23,562	---	8,000

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title Cash Transfer		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 $ 115,000		Life of Project Funding $ 115,000
Number 263-K61A ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1987

Purpose: To provide immediately available foreign exchange resources to support Egyptian efforts to stabilize their economy and promote economic growth.

Background: Egypt's foreign exchange earnings result primarily from petroleum exports, workers' remittances, Suez Canal revenues and tourism. With earnings from these sectors stagnant in Egypt's 1984/85 Fiscal Year, the country's trade and current account deficits rose to $8.4 billion and $3.1 billion, respectively. To address this problem, A.I.D. began a cash transfer program in FY 1984, converting $100 million in unused project funds to cash for the Egyptian Government. In FY 1985 a total of $350 million in new cash transfers was provided, including $250 million made available through a two year $500 million supplemental appropriation of the U.S. Congress. In FY 86 an additional $365 million is being provided including the $250 million balance of the supplemental appropriation.

Activity Description: Egypt has insufficient foreign exchange earnings to finance all of the goods and services needed to revitalize its economy and to help improve the daily life of its poor. By providing quick disbursing foreign exchange resources, the Egyptian Government will be able to cushion the adjustment burden on Egypt's populace as it pursues a vigorous economic reform program.

Relation of Project to A.I.D.'s Country Strategy: In providing this cash assistance to ease Egypt's adjustment burden, the United States demonstrates its continued support of moderate Egyptian leadership and helps assure domestic stability and development through an economic reform program.

Beneficiaries: The Egyptian people will benefit from the imports made possible as a result of this assistance as well as from the long-term economic growth made possible by the GOE's current economic reform program.

Host-Country and Other Donors: Arab financing, which constituted a large portion of Egyptian concessional assistance up until the signing of the Camp David Accords, largely ended in 1977 and has not been renewed. Egypt, however, is receiving economic assistance from a number of other bilateral donors and the World Bank, totalling approximately $1.0 billion per year.

Major Outputs:	All years
Improved GOE capacity for economic reform	X

A.I.D. Financed Inputs	LOP ($000)
U.S. dollar foreign exchange	$115,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	115,000	0	115,000

Principal Contractors or Agencies

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: EGYPT

Title Commodity Import Program	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
				FY 1987 $ 100,000	Life of Project Funding $ 100,000	
Number 263-K61B ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1990

Purpose: To finance U.S. imports such as machinery, equipment, spare parts, industrial raw materials, semi-finished goods, and consumables needed to increase domestic production and maintain essential public services.

Background: The Commodity Import Program (CIP) was designed to assist Egypt in meeting its post-war (1973) balance of payments deficit and to improve the country's foreign exchange position. Since inception of the CIP in FY 1975, the Government of Egypt (GOE) has purchased $3 billion worth of U.S. imports for production items and consumables. Food imports have also alleviated pressing food needs of the Egyptian population. The CIP supplements discrete A.I.D. projects and finances imports essential to the industrial and agricultural sectors and to the development of infrastructure and social services. In addition, significant funds have been used to finance capital equipment and replacement elements for a broad grouping of public sector organizations.

In FY 1984, A.I.D. decided to begin a phased reduction of the CIP program in FY 1985 to shift commodity imports to A.I.D. sponsored private sector programs. Accordingly, CIP levels were reduced from $300 million in FY 1984 to $200 million in FY 1985 and to $150 million in FY 1986.

Project Description: The planned FY 87 program at $100 million continues a planned phased reduction in the Commodity Import Program as stated above. At the same time, however, A.I.D.'s private sector credit programs are financing increasing shares of commodity imports from the United States, so the overall level will remain at $200 million per year. Transactions under the Trade Financing Facility (TFF) continue to be eligible for CIP financing. The TFF continues to encourage Egyptian purchasers to use U.S. suppliers by matching more favorable mixed credit financing packages offered by non-U.S. suppliers for international tenders, in situations where the U.S. suppliers are the lowest bidders.

Relationship to A.I.D. Country Strategy: By continuing the use of the Commodity Import Program, the United States demonstrates its active support of moderate Egyptian leadership while helping to ensure domestic stability and development by encouraging increased production, employment, and the availability of basic goods. The program will continue to finance capital goods and repair/maintenance parts to further increase industrial productivity, a key goal of A.I.D.'s country strategy.

Beneficiaries: The commodities imported under this program affect the lives of a significant portion of Egyptian consumers and users of public services.

Host Country and Other Donor Support: Previously, Belgium, Finland, the Netherlands, Jordan, France, and West Germany have provided similar assistance for commodity imports. Currently, however, the United States is the only country funding a Commodity Import Program.

Major Outputs	All years
Increased domestic production for Egypt	X

A.I.D. Financed Inputs	LOP ($000)
Grant to finance purchase of U.S. commodities	$100,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	100,000	0	100,000	

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title Private Health Sector	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 $5,000		Life of Project Funding $50,000
Number 263-0170 ☒ GRANT ☐ LOAN	☐ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1990	Estimated Completion Date of Project FY 1992

Purpose: To establish a rational financial footing for the health sector, including more cost-effective investment in the provision of health services to the public on a cost recovery basis.

Background: Mortality and morbidity in Egypt, particularly among young children and their mothers, are exceptionally high for a country at Egypt's level of social and economic development. This results largely from preventable diseases, such as waterborne diseases, and a high rate of malnutrition among children of weaning age. The Government of Egypt (GOE) has clearly stated its intentions to move more aggressively in the future to implement preventive health measures to combat major childhood diseases and malnutrition. A.I.D. is undertaking a major shift in strategy in the health sector, moving from an emphasis on improving health delivery systems generally to emphasis on the reduction of unacceptably high mortality and morbidity by supporting a range of child survival interventions and expanding cost effective health services. As a part of this new emphasis, A.I.D. is seeking to increase participation of the private sector and the autonomous public sector in providing health services.

Project Description: The Ministry of Health (MOH), which is charged with the promotion and protection of the public's health, is underfinanced and overextended. This project will expand the potentially important role of private and autonomous public sector medical care in Egypt. The project will support private and autonomous public sector financing and improve non-government curative health delivery systems, enabling the MOH to conserve more of its scarce resources for preventive health activities involving primary health care, particularly child survival programs. Funds will be used to provide capital and technical assistance to groups such as the Health Insurance Organization, Curative Care Organization, Medical Syndicate's Medical Professions Corporation for Investment, group health maintenance organization practices, and private practices.

Relationship to A.I.D. Country Strategy: The project supports A.I.D.'s country strategy emphasis on improving the physical quality of life of the Egyptian people and improving their productivity in the workplace. It will contribute to achieving the current health sector strategy objective of reducing the unacceptably high mortality and morbidity caused by largely preventable childhood diseases and excess fertility.

Beneficiaries: The target groups for this project will cover a broad spectrum of the Egyptian population, including the middle class and poorer groups as well. Studies have shown that the general public in Egypt, including the poor, is willing to pay for health services.

Host Country and Other Donor Support: No other donor is promoting the development of the private health sector in Egypt. The possible future involvement of other donors, as well as GOE commitment to the private sector, will be fully explored during the design of this project.

Major Outputs:	All Years
Self-sustaining curative health care facilities	X

A.I.D. Financed Inputs:	LOP ($000)
Technical Assistance	$10,000
Training	1,500
Commodities	20,000
Other	18,500
Total	$50,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	5,000	45,000	50,000	

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title Canal Cities Water and Sewerage II	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 $ 37,000	Life of Project Funding $ 360,000
Number 263-0174 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1990 Estimated Completion Date of Project FY 1992

Purpose: To improve water and wastewater systems in the Canal Cities and ensure that the systems are properly operated and maintained.

Background: Over 55% of Egypt's population will be urban by the year 2000. Since 1975, A.I.D. has obligated more than 60% of its entire portfolio to urban projects and activities benefitting urban areas. Over the 1983-1987 period, the Government of Egypt (GOE) has called for a national investment of $3.4 billion Egyptian Pounds for the improvement of such services -- about a 250% increase over the 1977-1982 investment level. Both existing and proposed Canal Cities Water and Sewerage Projects will address the high-priority water and wastewater system needs in the three Canal Cities of Ismailia, Port Said and Suez. These three cities are among the most rapidly developing urban areas in Egypt and represent the second level of strategic urban centers in the country.

Project Description: The current Canal Cities Water and Sewerage project finances the most urgently needed improvements to water treatment plants, water distribution systems and wastewater collection systems in the cities of Ismailia, Port Said and Suez. Thus, when these phase I activities are completed, the wastewater will be transported to a single location in each city. This phase II project proposes to construct wastewater treatment plants in the three cities. In addition, the proposed project will respond to urgent raw water supply needs of Port Said by either expanding the pipelines and supporting pumping facilities from Quantara to Port Said. This new project will also strengthen the institutional capacity of the three Governorates and the Suez Canal Authority in operating and maintaining water and wastewater systems.

Relationship to A.I.D. Country Strategy: This project directly supports A.I.D.'s sector goal of improving the delivery of water and wastewater services to Egypt's urban populations.

Beneficiaries: Urban population growth in Ismailia, Port Said and Suez has accelerated rapidly since 1974 due to the Suez Canal reopening. The population of these three cities is projected to grow to 2.5 million by the year 2000. All of these residents and numerous commercial, tourist and industrial establishments will directly benefit from operational water and wastewater systems.

Host Country and other donors: The GOE's contribution will be an equivalent of $473 million in local currency.

Major Outputs	All years
1. Expanded piplines and pumping facilities	X
2. Three treatment plants;	3
3. Increased institutional capacity to operate and maintain these facilities	X

A.I.D. Financed Inputs:	LOP ($000)
U.S. Technical Services	$ 48,000
Construction	264,000
Training and Institutional Development	8,000
Contingencies	40,000
Total	$360,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	37,000	323,000	360,000	

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title: Fertilizer Supply		Funding Source: ESF	AG, RD & N	Health	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 1987 $ 20,000		Life of Project Funding $ 90,000
Number: 263-0186 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1989	Estimated Completion Date of Project FY 1992

Purpose: To construct a modern nitrogen fertilizer plant to increase availability to small farmers and to improve the fertilizer distribution system.

Background: Egypt's consumption of nitrogen fertilizers has rapidly increased over the past ten years to 700,000 metric tons per year. With no new plants under construction and uneconomic plants in Suez, Aswan and Helwan scheduled to be phased out by 1990, Egypt will move from a near balance in the supply and demand for nitrogen fertilizer to a projected deficit of about 525,000 MT (30%) in 1990. Phasing out uneconomic plants will reduce present production capacity by approximately 175,000 MT (25%). The Government of Egypt (GOE) needs to plan and implement projects to increase fertilizer production to meet present and future demands, and to expand and rehabilitate existing fertilizer plants. A.I.D. is financing a study to determine the most economically advantageous location for a second plant at four potential sites in Upper Egypt: Aswan, Assiut, Qena and Safaga.

Project Description: A.I.D. plans to provide $90 million to cover a portion of the capital costs of a new nitrogen fertilizer production plant producing approximately 1,000 tons of ammonia per day. This is one of two plants needed to meet Egypt's future nitrogen fertilizer requirements. Total foreign exchange costs for the complex are estimated at $300 million. A.I.D. support to the nitrogen fertilizer industry depends on the development of a policy environment favorable to self-sustained performance of the industry.

Relationship to A.I.D. Country Strategy: An objective of the FY 1986 Country Development Strategy Statement is to move Egypt's public sector industry more rapidly toward a market economy through rational price policies and greater managerial autonomy. The country strategy also stresses increasing agricultural productivity through increased use of improved (e.g. fertilizer intensive) farm technologies.

Beneficiaries: The major beneficiaries of the project will be Egypt's small farmers who will have reliable supplies of nitrogen fertilizer at stable prices well into the 1990's. Egyptians in general will also benefit from more efficient use of the country's natural gas reserves and the foreign exchange savings resulting from reduced nitrogen fertilizer import requirements.

Host Country and other Donors: The GOE and local private investors will finance local currency costs of the complex amounting to LE 270 million. The balance of foreign exchange costs, estimated to be $210 million, would be met by other international donors (i.e. Japan, World Bank).

Major Outputs:	All Years
1. A new efficient fertilizer plant	1
2. Price levels and future pricing policies that correspond to world market values	X
3. Increased private sector investment with considerable autonomy to adjust production levels, worker compensation and staffing	X
4. Modified pricing and distribution system which will reduce/eliminate subsidies on fertilizers, and encourage development of private distribution and marketing.	X

A.I.D. Financed Inputs	(LOP $000)
Grant to GOE to help finance a new nitrogen fertilizer production plant	$90,000

U. S. FINANCING (in thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	20,000	70,000	90,000	

FIJI

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FY 87 CP ECONOMIC AND SOCIAL DATA

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COUNTRY:  (882) FIJI

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)        700

PER CAPITA GNP.......... (DOLLARS,1983)      1,790

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (   .- .)   . %

ANNUAL RATE OF INFLATION (   .- .)   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977)   3.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 67.0  MALE 65.3  FEMALE 68.6
                    (1970)   TOTAL 61.2  MALE 59.8  FEMALE 62.7

ADULT LITERACY RATE  (1976)  TOTAL  79%  MALE  84%  FEMALE  74%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    17%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      221


MAJOR CROP(S)                                ARABLE LAND  YEAR
  SUBSISTENCE: . .. ..                               .%   (   .)
  CASH: . .. ..                                      .%   (   .)

MAJOR AGRICULTURAL EXPORTS:(   .). .. ..

MAJOR AGRICULTURAL IMPORTS:(   .) . .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1976)    44% .
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1980)        274 (81)        308 (82)        285
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1980)        311 (81)        354 (82)        341
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1980)        -36 (81)        -46 (82)        -56
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980)  3.3% (81)  3.2% (82)  4.4%
  AS % OF GNP................. (1980)  0.9% (81)  0.9% (82)  1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)               (1982)   127 (83)   116 (84)   118
  EQUIVALENT TO  2.5 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(   .)               .            .

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   27  (1983)   20  (1984)   25
   AS % OF TOTAL EXPORTS (1982)   12% (1983)   10% (1984)  11%

MAJOR IMPORTS(   .)               .            .

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   19  (1983)   19  (1984)   18
   AS % OF TOTAL IMPORTS (1982)    5% (1983)    5% (1984)   5%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -188(83)   -204(84)  -162

TRADING PARTNERS: AUSTRALIA ,UNITED KINGDOM ,NEW ZEALAND

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    30.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)    38
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  17.3%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.3% (1978)   2.0% (1985)  2.0%

POPULATION IN URBAN AREAS............(1970)    35%   (1985)   46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)    31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1978)  38.0%

POPULATION (1985) IN AGE GROUP:
              (0-14YRS) 37.1% (15-64YRS) 60.0% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  23

PEOPLE PER PHYSICIAN................ (1980)  2,232

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA       .INTESTINAL INFEC,GONORRHEA
DEATH.. (1978) SENILITY        .HEART DISEASE   ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   106%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  77%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL   117   MALE   118    FEMALE   116
SECONDARY....... (1981)  TOTAL  48.7   MALE  37.7    FEMALE  36.7
POST SECONDARY.. (1981)  TOTAL   2.4   MALE   3.8    FEMALE   1.0

ENERGY PRODUCTION AS % OF CONSUMPTION... ........(   .)          %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY FIJI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
a. A.I.D. and Predecessor Agencies	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
(Economic Support Fund)	–	–	–	–	–	–		
b. Food for Peace (PL 480)	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
Title I - Total Sales Agreements	–	–	–	–	–	–	–	–
Repayable in U.S. Dollars - Loans	–	–	–	–	–	–	–	–
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	–	–	–
Title II - Total Grants	–	–	–	–	–	–	–	–
Emerg. Relief, Econ. Develop. & World Food Program	–	–	–	–	–	–	–	–
Voluntary Relief Agencies	–	–	–	–	–	–	–	–
c. Other Economic Assistance	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
Peace Corps	–	–	–	–	–	–	–	–
Narcotics	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL	–	–	–	–	–	–	–	–
Credits or Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
a. MAP Grants	–	–	–	–	–	–	–	–
b. Credit Financing - FMS	–	–	–	–	–	–	–	–
c. Military Assistance Service Funded (MASF) Grants	–	–	–	–	–	–	–	–
d. Transfers from Excess Stocks	–	–	–	–	–	–	–	–
e. Other Grants	–	–	–	–	–	–	–	–
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
Other U.S. Government Loans and Grants	–	–	–	–	–	–	–	–
a. Export-Import Bank Loans	–	–	–	–	–	–	–	–
b. All Other Loans	–	–	–	–	–	–	–	–

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

FY 1983 FY 1984 FY 1985 FY 1946-85

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	2.0	2.0	11.0
Australia	15.7	9.6	67.5
United Kingdom	4.1	4.2	45.8
New Zealand	3.0	3.5	25.8
Japan	3.8	2.1	12.7
Other	3.1	2.4	11.1
Total	31.7	23.8	173.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

FIJI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans								
Grants								
Total								
1986								
Loans								
Grants	1,357	-	-	400	-	-	957	-
Total	1,357			400			957	
1987								
Loans								
Grants	1,500	-	-	-	-	-	1,500	-
Total	1,500						1,500	

FY 1987
PROGRAM HIGHLIGHTS

- Programs in the agricultural, health and/or development administration sectors with the Government of Fiji which are being designed during FY 1986 with the establishment of a bilateral assistance program, $1,500,000

FIJI

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans		--	--
Grants		500	1,300
Total AID		500	1,300
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480		--	--
Total AID and P.L. 480		500	1,300

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480			--	--	--	--

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

FIJI

Development Overview

Fiji consists of a group of over 300 islands in the South Pacific, with a population of 670,000. It gained independence from Great Britain in 1970. Although Fiji's World Bank-reported per capita Gross National Product ($1,990) is high, its economy is not highly industrialized. Additionally, this figure is skewed by the presence of a rather large, well-paid, urban-based, expatriate population, and does not accurately reflect actual rural population income status. Over 60 percent of the population is rural, with about 45% of the labor force engaged in farming (much of it subsistence), forestry and fishing. Fiji relies heavily on sugar exports to hold down its trade deficit ($208 million in 1984). Tourism is also a large source of foreign exchange. Fiji continues to depend on agricultural production to promote economic growth and to provide a livelihood for significant segments of its population.

As a newly-independent nation, Fiji's development concerns include insufficient numbers of mid- and upper-level managers, and a recurrent "brain drain" of its better-educated citizens to other countries. Only 18% of the population finish secondary school, and only 3% obtain a college degree. Agriculture and health problems affect population "pockets" throughout the island nation, and Government response is often slowed by logistical difficulties. Considerable portions of Fiji are also subject to such periodic natural disasters as cyclones and droughts.

Fiji's most pressing economic concern over the next several years is lack of diversification of its economic base. Sugar continues to account for half of Fiji's agricultural output, a third of industrial output and two-thirds of merchandise exports. But with declining world sugar prices over the past four years, real incomes earned from sugar in 1984 were only half of their 1977 levels. This year the United States reduced its sugar quota for Fiji by almost one-third. Tourism has been the main new source of income, although 50% of the tourism dollar finances imports.

U.S. Interests and Objectives

Our primary foreign policy objective is to maintain Fiji's role as a moderate and influential pro-U.S. force in the South Pacific. This objective is derived from a number of core U.S. interests: (1) preventing the Soviet Union from gaining a permanent foothold in the South Pacific; (2) maintaining access to the region's ports for U.S. warships and aircraft; (3) preserving access to the region's fisheries resources; and (4) ensuring continued support for U.S. positions in regional and international fora.

FIJI

Fiji consistently has been the strongest and most influential island state advocate of U.S. interests in the region and globally. On issues ranging from the KAL massacre to the rescue operation in Grenada, Fiji has spoken out publicly in support of U.S. positions and urged its island neighbors to do likewise. The government of Prime Minister Mara opposed Soviet efforts to penetrate the region and refused a financially attractive Soviet fisheries agreement offer. Fiji welcomes U.S. warships to its ports and has questioned the wisdom of New Zealand's anti-nuclear policies in regional fora. The Mara Government provides combat battalions to UNIFIL (Lebanon) and the MFO (Sinai) in support of U.S. Mid-East peace initiatives.

A.I.D. Development Strategy

In February 1984, A.I.D. established a task force to make recommendations on how best to focus its development strategy in the South Pacific. As a result, a study team was sent to the South Pacific in October 1984. The report suggested a strong political rationale and, to a lesser degree, a developmental basis for a bilateral assistance program for Fiji. Basic themes for A.I.D. project assistance to the South Pacific (including Fiji) focus assistance primarily on the agriculture and health sectors, with secondary emphases on development administration and private enterprise development.

A bilateral economic assistance strategy is being formulated, with assistance expected to begin in FY 1986.

A.I.D. Program (FY 1986-1987)

Bilateral assistance agreement discussions with the Government of Fiji, delayed by recent Fijian Cabinet changes, are underway. An agreement is necessary before a mutually acceptable economic development assistance program can be negotiated. Economic Support Funds are being requested for the Fiji assistance program. In FY 1986 only, ESF is being supplemented by a smaller Development Assistance component.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: FIJI

PROJECT TITLE	* L / G	PROJECT NUMBER	PY OF INITIAL OBLIG	PY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
HEALTH												
FIJI DEVELOPMENT PROGRAM	G	882-0101	86	87	---	400	---	---	400	100	---	---
TOTAL FOR ACCOUNT					---	400	---	---	400	100	---	---
GRANTS					---	400	---	---	400	100	---	---
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
FIJI DEVELOPMENT PROGRAM	G	882-0101	86	87	---	2,500	---	---	957	300	1,500	1,000
TOTAL FOR ACCOUNT					---	2,500	---	---	957	300	1,500	1,000
GRANTS					---	2,500	---	---	957	300	1,500	1,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					---	2,900	---	---	1,357	400	1,500	1,000
GRANTS					---	2,900	---	---	1,357	400	1,500	1,000
LOANS					---	---	---	---	---	---	---	---

[*] Refers to the planned project summary sheet

[G] Level of effort activity

PY of final obligation column - All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

INDIA

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COUNTRY:  386) INDIA                                FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)    767,681

PER CAPITA GNP.......... (DOLLARS,1983)        260

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.5%

ANNUAL RATE OF INFLATION (1973-83)  7.7%

NATIONAL INCOME RECEIVED B  LOW 20% OF POPULATION..(1976)   7.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 56.0  MALE 56.4  FEMALE 55.6
                    (1970)   TOTAL 47.3  MALE 47.9  FEMALE 46.6

ADULT LITERACY RATE  (1981)   TOTAL  41%  MALE  55%  FEMALE  26%

--------------
*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)   0.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)   36%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      396


MAJOR CROP(S)
                                              ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,WHEAT ,MILLET                   51%   (1984)
  CASH: SUGARCANE ,PEANUTS ,COTTON                   11%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TEA ,FISH ,COFFEE

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)   71%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1982)    28,024 (83)     31,755 (84)     35,253
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1982)    29,582 (83)     36,285 (84)     37,015
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1982)    -1,558 (83)     -4,530 (84)     -1,762
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 16.6% (81) 22.6% (82) 27.6%
  AS % OF GNP................. (1980)  3.0% (81)  3.3% (82)  3.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982) 4,549 (83) 5,152 (84) 6,026
  EQUIVALENT TO  2.7 MONTHS OF IMPORTS (1982)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1984)PEARLS, PREC. S,ENGINEERING GDS,GARMENTS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,384  (1983)2,122  (1984)2,488
   AS % OF TOTAL EXPORTS (1980)   15% (1981)   17% (1982)  17%

MAJOR IMPORTS(1984)PETROLEUM      ,NON-ELEC MACHIN,PEARLS,PRECIOUS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,758  (1983)2,011  (1984)1,727
   AS % OF TOTAL IMPORTS (1980)   17% (1981)   16% (1982)  14%

TRADE BALANCE($ MILLIONS, U.S.)(1983) -5,658(84) -5,713(85)-4,360

TRADING PARTNERS  UNITED STATES ,JAPAN ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    11.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983) 1,324
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  10.3%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE.. (1970)   2.3% (1978)   2.1% (1985)  2.1%

POPULATION IN URBAN AREAS............(1970)    20%   (1985)   25%

LIVE BIRTHS PER 1,000 POPULATION....(1970)    39    (1985)     33

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)  22.6%

POPULATION (1985) IN AGE GROUP
              (0-14YRS) 39.2% (15-64YRS) 56.8% (65+ YRS)  4.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 101

PEOPLE PER PHYSICIAN................ (1980)  3,640

MAJOR CAUSES OF
DISEASE (1981) AMOEBIASIS      ,INFLUENZA       ,TUBERCULOSIS
DEATH.. (1969) ENTERIC DISEASE ,ACUTE RESP. INFE,DYSENTERY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1980)    87%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  41%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1980)  TOTAL  69.3   MALE  81.7    FEMALE  55.8
SECONDARY....... (1980)  TOTAL  30.6   MALE  40.2    FEMALE  20.3
POST SECONDARY.. (1978)  TOTAL   6.2   MALE   9.1    FEMALE   3.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     94.4%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY INDIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	221.5	275.1	221.8	239.5	213.3	11041.9	5365.2	5676.7
Loans	79.0	93.6	79.0	64.4	61.5	7552.0	5365.2	2186.8
Grants	142.5	181.1	142.8	145.1	151.8	3489.9	-	3489.9
a. A.I.D. and Predecessor Agencies	103.2	104.5	98.5	89.0	87.5	4440.8	2399.2	2041.6
Loans	79.0	93.6	79.0	64.4	61.5	3868.3	2399.2	1469.1
Grants	24.2	10.9	19.5	24.6	26.0	572.5	-	572.5
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	118.3	170.6	123.3	120.5	125.8	6254.4	2756.9	3497.5
Loans	-	-	-	-	-	3382.8	2756.9	625.9
Grants	118.3	170.6	123.3	120.5	125.8	2871.6	-	2871.6
Title I – Total Sales Agreements	-	-	-	-	-	4174.5	2756.9	1417.6
Repayable in U.S. Dollars – Loans	-	-	-	-	-	657.7	229.2	428.5
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	3516.8	2527.7	989.1
Title II – Total Grants	118.3	170.6	123.3	120.5	125.8	2079.9	-	2079.9
Emerg. Relief, Econ. Develop. & World Food Program	44.3	14.6	10.6	21.0	10.7	395.0	-	395.0
Voluntary Relief Agencies	74.0	156.0	112.7	99.5	115.1	1684.9	-	1684.9
c. Other Economic Assistance	-	-	-	-	-	346.7	209.1	137.6
Loans	-	-	-	-	-	300.9	209.1	91.8
Grants	-	-	-	-	-	45.8	-	45.8
Peace Corps	-	-	-	-	-	45.2	-	45.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.6	-	0.6
II. MILITARY ASSISTANCE – TOTAL	0.3	*	0.1	0.1	0.1	146.7	60.0	86.7
Credits or Loans	-	-	-	-	-	27.3	60.0	32.7-
Grants	0.3	*	0.1	0.1	0.1	119.4	-	119.4
a. MAP Grants	-	-	-	-	-	90.4	-	90.4
b. Credit Financing – FMS	-	-	-	-	-	27.3	60.0	32.7-
c. Military Assistance Service Funded (MASF) Grants	0.3	*	0.1	0.1	0.1	7.0	-	7.0
d. Transfers from Excess Stocks	-	-	-	-	-	22.0	-	22.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	221.8	275.1	221.9	209.6	213.4	11188.6	5425.2	5763.4
Loans	79.0	93.6	79.0	64.4	61.5	7579.3	5425.2	2154.1
Grants	142.8	181.5	142.9	145.2	151.9	3609.3	-	3609.3
Other U.S. Government Loans and Grants	35.0	79.5	29.6	6.8	-	704.8	798.2	93.4-
a. Export-Import Bank Loans	35.0	79.5	29.1	6.4	-	698.8	792.3	93.5-
b. All Other Loans	-	-	0.5	0.4	-	6.0	5.9	0.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	2179.0	2789.4	2522.0	23284.8
IBRD	1087.9	1721.4	1674.0	8925.3
IFC	15.2	43.7	34.7	324.6
IDA	1063.0	1001.0	672.9	13328.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	12.9	23.3	0.0	244.5
OTHER-UN	0.0	0.0	140.4	462.0
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	138.0	134.0	1,085.0
United Kingdom	94.9	193.6	1,384.0
Germany,Fed. Rep.	184.3	186.3	1,100.3
Netherlands	69.6	80.3	643.1
Japan	86.0	178.9	625.3
Other	198.8	228.2	1,380.1
Total	771.6	1,001.3	6,217.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
39.3	N.A.	558.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	140	-	3,220
Eastern Europe	-	-	455
Total	140	-	3,675

INDIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other *
1985								
Loans	59,300	37,500	18,000	3,800	-	-	-	-
Grants	25,700	16,100	2,900	2,700	-	4,000	-	-
Total	85,000	53,600	20,900	6,500		4,000		
1986								
Loans	38,900	38,900	-	-	-	-	-	-
Grants	36,100	12,300	-	12,700	-	5,100	-	6,000
Total	75,000	51,200		12,700		5,100		6,000
1987								
Loans	45,600	45,600	-	-	-	-	-	
Grants	26,400	15,000	-	6,000	1,400	4,000	-	-
Total	72,000	60,600		6,000	1,400	4,000		

*Child Survival Funds

FY 1987
PROGRAM HIGHLIGHTS

- Agricultural modernization, including improved irrigation, $16.0 million.
- Renewable resources management and development, primarily through technology transfer in forestry, fuelwood and conservation, $28.0 million.
- Population control and child survival through programs in biomedical research, immunization, oral rehydration therapy and child spacing, $8.0 million.
- Technology research and development--through agricultural research and education, skills training, and institutional development, research management and technology development of private enterprises, $23.0 million.
- PL 480 Title II commodity support for PVO programs in improved cooperative development, rural development, supplementary nutrition, and health education, $80.5 million.

INDIA

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	33,709	58,583	59,300
Grants	15,509	34,534	30,000
Total AID	49,218	93,117	89,300
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	90,767	80,377	80,459
Total P.L. 480	90,767	80,377	80,459
Total AID and P.L. 480	139,985	173,494	169,759

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	
Rice	-	-	-	-	-	
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	301,875	90,767	282,925	80,377	270,112	80,459
Government - to - Government	-	-	-	-	-	-
Title II Total	301,875	90,767	282,925	80,377	270,112	80,459
Total P.L. 480	301,875	90,767	282,925	80,377	270,112	80,459

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

INDIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	23.3	25	25
PASA[b]	–	–	–
TOTAL	23.3	25	25

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	122	122	–	442	442	–	457	457
Regional[e]	–	–		–	2	2	–	2	2
TOTAL		122	122		444	444	–	459	459

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	6	6	–	10	10	–	15	15
Regional[e]	–	1	1	–	2	2	–	2	2
TOTAL		7	7		12	12		17	17

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

INDIA

Development Overview

Behind the name "India" stands a vast subcontinent; one-sixth of the world's population on one-fortieth of its land; 22 states and nine territories; and home to fifteen major languages.

India reflects a very real dichotomy in Asian development, ranking nineteenth in world industrial production and twelfth in GNP; yet characterized by a large and growing rural population dependent primarily on agriculture for employment and income.

Thanks to policy decisions taken and reinforced since the 1960's, India has achieved nominal food self- sufficiency. Most Indian agriculture remains rainfed, however. So, despite the remarkable achievements of the Green Revolution, agriculture continues to grow at a long-term rate of 2.5 percent per year, only marginally ahead of a 2.25 percent annual population growth rate.

India is now trying to duplicate in industry its achievements in agriculture. Blessed with an industrial base which few developing countries enjoy, industry in recent years has been growing at a steady 5.0 to 6.0 percent rate. India also has the fifth largest pool of scientific and technological manpower in the world. Therefore, the capacity for scientific and technological achievement is clear. India recently introduced policy measures to improve economic performance by allowing market forces to play a greater role.

Under the administration of Rajiv Gandhi, the Seventh Five Year Plan (1985-1990) is expected to shape a new direction for pursuing the nation's long-standing development objectives. These are: a high economic growth rate, industrial and agricultural self-reliance, full employment, and reduction of poverty.

U.S. Interests and Objectives

India accounts for fully one-third of the world's poor, placing it squarely in the forefront of U.S. interests in the developing world.

U.S. bilateral interests in India stem from its importance as the major economic and political factor for stability in South Asia. The United States is India's major non-OPEC trading partner and second largest foreign private investor. Therefore, there is a substantial, increasing U.S. interest in a growing and modernizing Indian economy.

The United States seeks to support India's pursuit of development with equity in ways which will encourage growth and reduce poverty, while not compromising its democratic institutions. Our objective is to support India's pursuit of development with equity.

INDIA

A.I.D. Development Strategy

A.I.D. supports India's long standing development objectives with a program which emphasizes self-sustaining and equitable economic growth.

To have a significant impact on economic growth, India must accelerate the pace of agricultural development and reduce the population growth rate sufficient to produce real growth in per capita agricultural incomes. India must support this strategy with a dynamic employment-oriented industrial policy.

A.I.D. believes it can have the greatest long term impact on these goals by supporting activities which improve agricultural productivity and rural incomes, and expand and improve the quality of family planning, nutrition and health programs through the relevant application of science and technology. Throughout the program is an emphasis on alternatives to government-led solutions, and expanded involvement of the private sector and local institutions.

A.I.D. Program (FYs 1985-86)

The program consists of 23 projects approved after the resumption of an active development assistance program in FY 1978. A.I.D also supports a Housing Guaranty program. India receives the Agency's largest commitment of regular PL 480 Title II resources.

A. Food Production and Rural Employment

During the 1950's and 1960's A.I.D. contributed effectively and substantially to India's agricultural modernization. Higher crop yields--principally wheat--and the establishment of the agricultural university system are hallmarks of A.I.D.'s early involvement. A.I.D's current program in agriculture focuses on agricultural research, efficiency of irrigation, and with PL 480 Title II support, rural works and oilseed growers' cooperatives.

A.I.D.'s Irrigation Management and Training project (386-0484), approved in FY 1983, is the centerpiece of multiproject assistance in irrigation. The project is helping to strengthen Water and Land Management Institutes in several states, using a multi-disciplinary approach and direct farmer participation. The FY 1984 Hill Areas Land and Water Development project (386-0489), in addition to financing construction, provides funding for studies of appropriate management systems, involvement of farmer organizations and appropriate technology for small-flow, lift, and watershed management systems. The Rajasthan Medium Irrigation project (386-0467), nearing completion, includes nine sub-projects which will put 57,000 hectares under irrigation for the first time. The Madhya Pradesh Minor Irrigation project (386-0483) is adapting improved design criteria on 40 small-scale systems totaling about 24,000 hectares. The

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Maharashtra Minor Irrigation project (386-0490) is developing smaller-scale systems in remote regions of a state where work on major and medium sized irrigation systems is already underway. All irrigation-related activities include considerable training, research, and institutional development aimed at improved design and operation of irrigation systems.

As a result of an FY 1985 assessment of the current irrigation portfolio, A.I.D. plans to explore further groundwater irrigation prospects in other parts of India.

A.I.D.'s PL 480 Title II program in India is devoted to rural employment generation and increased agricultural production. The Oilseed Growers Cooperative Project is a vertically integrated approach to help develop a cooperative sector structure for increasing production and marketing of oilseeds and quality edible oils. Approximately 8,300 villages have been organized into cooperatives with 224,300 members; and oilseed-processing plants completed under this activity are capable of producing annually 163,300 MT of vegetable oil and shortening. Since 1979, A.I.D. has supplied approximately 127,100 MT of oil through the Cooperative League of the U.S.A. (CLUSA) for sale to support the oilseeds program carried out by the National Dairy Development Board (NDDB), a large Indian cooperative organization. A.I.D. has also funded Operational Program Grants totaling $2.1 million for CLUSA support to NDDB. A.I.D. has recently undertaken a thorough examination of future oil and financial requirements of the project to enable realization of optimal, self-sustaining operation.

The Food for Work program managed by the Catholic Relief Services (CRS) provides employment to some 274,000 workers, mostly in very poor areas not well served by government services and infrastructure for construction of simple roads, wells, and land leveling. By FY 1985 A.I.D.'s phased reduction in Title II resources for the School-Feeding program will be into its fourth year, reducing the level from 146,000 MT ($51.78 million) to 88,800 MT ($23.4 million). In FY 1986 A.I.D. is undertaking a comprehensive assessment of the entire Title II program to determine the program's future directions.

In FY 1986 the NCAER Rural Household Survey project (386-0486) will complete its assessment of the impact of agricultural and rural development policies and programs on rural households.

B. Resource Management

A.I.D.'s current portfolio in social forestry at the state level emphasizes collaboration between forest extension workers and local districts for the establishment and management of small forest plantations on locally managed revenue wastelands. The Madhya Pradesh Social Forestry project (386-0475) is developing village woodlots for local fuelwood and other forest product needs. Community-based forestry is increasing employment, especially among women, and produces domestic and commercial fuelwood with income going to the community itself. The project has created a new Social Forestry Directorate in the state, established 2,100 community plantations covering some 56,000 hectares, and prepared 200 village woodlot management plans whereby villages will eventually do the management and distribution of forest products. Based on this experience, the Maharashtra Social Forestry project (386-0478) is strengthening that state's social forestry extension services and providing a more systematic approach to organization and management of village woodlots. Collaborating with U.S. forestry institutions, the project is bringing to bear technological expertise in forestry research, training, and extension methods.

In FY 1985 A.I.D. approved the National Social Forestry Support project (386-0495) in support of the GOI's new $330-million forestry program in conjunction with the World Bank. This is India's first step toward coordinated national program and policy development for social forestry, and supports expansion of social forestry activities underway in four states.

C. Fertility and Mortality Reduction

Fertility and the reduction of mortality are closely interrelated. A.I.D.'s program is designed to improve the effectiveness of health, nutrition, and family-planning services. Scheduled for completion in FY 1986, the Integrated Rural Health and Population project (386-0468) participates in the GOI's model program for delivery of low-cost health and family-planning services in four states. It provides the GOI with its first system-wide assessments of local service management and logistics, training of field workers, and health communications. Service improvement facilities, health facility construction, health communications--all project components--are well underway. Following an evaluation in FY 1985, A.I.D. will place increasing emphasis on immunization and oral rehydration therapy.

To provide inputs to the program to enhance child survival in India, A.I.D. will fund a new Child Survival Support project (386-0504). Under this project, bilateral funds will support India's commitment to its under-five population and to the provision of known, cost-effective technologies to high risk groups. The project will assist the GOI in carrying out a major expansion of immunization and oral rehydration therapy, as well as helping to improve planning and mechanisms for delivery of child survival services. Child Survival funds will provide specific support for expanded immunization in up to 5 states.

In FY 1985 A.I.D. initiated the Biomedical Research Support project (386-0492) to improve rural health care by creating an epidemiological network. It includes field epidemiology, laboratory support service, clinical epidemiology, management information systems in malaria, and quality control of vaccines in cooperation with India's National

Institute of Communicable Diseases.

In FY 1985 $1.5-million was made available to India from the Agency's Child Survival Fund. These funds will provide U.S. technical assistance to support essential services for vaccine-preventable respiratory and diarrheal diseases, to raise the quality of data analysis for early decision making to improve child survival, and to provide supplementary services for child survival programs in medical colleges located in A.I.D.-assisted health project districts.

With U.S.-owned rupees through a Special Foreign Currency Appropriation, A.I.D. is supporting efforts to strengthen the private and voluntary sector's capacity to provide cost-effective rural health care under the Private Voluntary Organizations for Health (PVOH) project (386-0469). India's National Institute of Health and Family Welfare evaluates and monitors subgrant proposals from Indian private voluntary organizations for basic preventive health, family planning and nutrition services.

A.I.D. support to population and family planning is primarily through the existing Integrated Rural Health and Population (IRHP) project (386-0468), Private Voluntary Organizations for Health project (386-0469), and Family Planning Communications and Marketing project (386-0485). The IRHP project is expanding and improving the GOI's rural family-planning and health services in parts of five states. The project includes a component for operations research on ways to improve delivery of family-planning services and supplies. The PVOH project has similiar objectives but channels resources through private sector organizations.

The Family Planning Communications and Marketing project (386-0485) is a broadly based family-planning effort which seeks to strengthen the demand for conventional contraception through private marketing channels; increase private sector production of contraceptives; test new product related marketing strategies; develop improved communications efforts in support of the small family norm; and support operations research on community-based distribution of contraceptive supplies. The project stresses application of private sector resources to improvement and expansion of several elements of the GOI public sector fertility reduction programs. Under the FY 1985 Contraceptive Development/Reproductive Immunology project (386-0500) biomedical collaboration for research on pre-fertilization methods will be undertaken as coordinated investigations between leading Indian and U.S. institutions. Immunological approaches to human fertility regulation are now feasible due to recent biological advances and the new technologies of human monoclonal antibody production and genetic engineering.

The Integrated Child Development Services project (386-0476) combines bilateral dollar assistance and Title II resources to demonstrate a comprehensive approach to alleviating young child malnutrition and morbidity through better targeting and delivery of supplementary feeding, nutrition education, and health services to children under six, pregnant women, and lactating mothers, as well as low birth weight research to address a major cause of India's chronically high infant mortality rate. The project is an important part of the GOI's own Integrated Child Development Scheme begun nationwide in 1976, and now to be broadened further under the Seventh Five Year Plan.

D. Technology Development, Enterprise, and Training

The Development and Management Training project (386-0487) assists the GOI, state institutions, and the private sector in improving skills relevant to A.I.D. activities in India in fields which relate to the bilateral portfolio. Up to 1,300 Indians are receiving short-term in-service training, mostly in India by professional Indian training institutions with periodic assistance from U.S. technical specialists. The relevant application of science and technology to development initiatives is a major theme of A.I.D.'s program in India. The program in technology development and enterprise emphasizes institutional development, science policy, and research management. Beginning in FY 1985, the Program for the Advancement of Commercial Technology project (386-0496) is assisting a binational technology development board working with the Industrial Credit and Investment Corporation of India. The project is to promote joint Indo-U.S. activities in research and technology development by providing Indian enterprises access to venture loan capital, based on the premise that an enhanced private sector technology development capability will lead to higher productivity and employment.

Support to the energy sector flows from A.I.D.'s technology development strategy in India. The Technologies for the Rural Poor project (386-0465) provides scientific and technological innovations for rural development in non-conventional demonstration activities including solar grain drying, solar process heat for rural industries, mini-hydro power for village electrification, and solar thermal power for village use. The Alternative Energy Resources Development project (386-0474) is helping bring appropriate alternative energy technologies to the stage of application and commercialization. In FY 1986 a new Alternative Energy Resources Development - II project (386-0494) will support research into technology commercialization, systems application of technology, and research. The project will also foster collaborative research between Indian and American scientists.

A major feature in the technological relationship between India and the United States is strong collaboration between U.S. and Indian scientists in the areas of health, medical, and life sciences. The U.S. and Indian scientific community have agreed to launch a Vaccine Action Program in research and development, complementary training, technology transfer, and service delivery for selected vaccine-preventable diseases. In FY 1986 A.I.D. plans a Bio-Immunology and Diagnostic project (386-0503) which will support vaccine research and development, diagnostic technology, epidemiology and vaccine application, and training, as part of the broader program of vaccine collaboration between India and the United States.

The Agricultural Research project (386-0470) addresses research priorities and training needs for crop-specific technical problems, post-harvest technology, and water management. Project-funded research activities are designed to increase the level of U.S. technical and scientific collaboration.

Centrally administered research and technology development funding will place the U.S. scientific community in position to be a credible collaborator with India in research and technology development.

E. Housing Guarantee:

In FY's 1985 and 1986 A.I.D. will have completed its three-phase $60-million Housing Guarantee program with the Housing Development Finance Corporation. The Guarantee is financing over 8,000 low-income housing units.

Requested Year Program (FY 1987)

A. Agricultural Modernization

A.I.D. will continue to expand activities under the Hill Areas Land and Water Development project (386-0489) designed to introduce new integrated approaches to land and water design and management in the state of Himachal Pradesh. The Irrigation Management and Training project (386-0484) will receive additional funding as it continues to strengthen water management institutes at the state level and human resources for management and efficient use of irrigation.

B. Renewable Resources Management and Development

The GOI is designing a program to train personnel in management principles and appropriate technology for forestry management, education, and research. The effort will also support research laboratories, universities, and public and private research institutes, as India directs it forestry programs towards social forestry, watershed rehabilitation for erosion and flood control, biomass energy plantations, and managed industrial woodlots; and away from simply protecting and preserving forest reserves. A.I.D. will participate through the Forestry Research, Education and Training project (386-0488). The National Social Forestry project (386-0495) will use lessons drawn from earlier state social forestry projects, support central government policy guidance, and provide funding for state level social forestry programs where goals are to raise incomes and employment among the rural poor.

C. Child Survival and Family Planning

A.I.D. will continue to assist the GOI and Indian private institutions in developing, expanding, and improving the quality of service programs which include high impact interventions in oral rehydration therapy, key child immunizations, family-planning spacing methods, and nutritional improvements which together have the highest potential for reducing infant and child mortality rates. Second-year funding will be required for the Biomedical Research Support project (386-0492) which will support India's National Institute of Communicable Diseases and the Indian Council of Medical Research to create an epidemiological network in India.

The Child Survival Support project (386-0504), started in FY 1986, will continue to assist a major expansion of immunization and oral rehydration therapy in up to five states, as well as assisting at the national level planning.

D. Technology Development and Research, Enterprise, and Training

A.I.D. will intensify its agricultural research activities by associating with selected components of the All-India Coordinated Research Program, exploring reassociation with India's agricultural universities and engaging selected state governments in programs of technical collaboration. To assist Indian developing a technologically dynamic agricultural base, the Agricultural Research and Education project (386-0505) will enhance the capability of the Indian agricultural research system to deal with priority scientific problems, as identified through the Indo-U.S. Sub-commission on Agriculture.

The Development and Management Training project (386-0487) will be expanded, providing training to individuals employed by the GOI, state, and public sector agencies in critical development fields. Training for private sector development skills will receive greater emphasis, along with combining U.S. and Indian expertise for training programs in India.

E. PL 480 Title II Program

Additional vegetable oil will be requested for continuation of the Oilseed Growers Cooperative project with the Cooperative League of the U.S.A. The Food-For-Work program will continue with improved monitoring and evaluation systems. Title II support will continue in the CARE Maternal/Child Health program with additional funding through the Integrated Child Development Services project (386-0476). Catholic Relief Services' enhanced Maternal/Child Health program will be supported with Title II commodities.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDIA

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PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
				AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL ELECTRIFICATION	L 386-0462	79	79	58,000	58,000	58,000	49,507	---	6,493	---	2,000
RAJASTHAN MEDIUM IRRIGATION	G 386-0467	80	83	1,250	1,250	1,250	472	---	778	---	---
RAJASTHAN MEDIUM IRRIGATION	L 386-0467	80	83	35,000	35,000	35,000	27,500	---	7,500	---	---
AGRICULTURAL RESEARCH	G 386-0470	83	87	20,000	20,000	14,000	56	3,000	3,745	3,000	3,800
FERTILIZER PROMOTION	L 386-0471	79	81	101,000	101,000	101,000	100,796	---	206	---	---
ALTERNATIVE ENERGY RESOURCES DEVELOPMENT	G 386-0474	82	82	1,500	1,500	1,500	305	---	495	---	700
MADHYA PRADESH SOCIAL FORESTRY	G 386-0475	81	83	1,000	1,000	1,000	67	---	100	---	200
MADHYA PRADESH SOCIAL FORESTRY	L 386-0475	81	83	24,000	24,000	24,000	9,919	---	5,082	---	7,000
INTEGRATED CHILD DEVELOPMENT SERVICES	G 386-0476	83	85	5,800	5,800	5,800	404	---	396	---	500
INTEGRATED CHILD DEVELOPMENT SERVICES	L 386-0476	83	85	7,000	7,000	7,000	721	---	580	---	600
MAHARASHTRA SOCIAL FORESTRY	G 386-0478	82	82	5,000	5,000	5,000	199	---	801	---	300
MAHARASHTRA SOCIAL FORESTRY	L 386-0478	82	82	25,000	25,000	25,000	6,904	---	8,096	---	8,000
MAHARASHTRA IRRIGATION TECH AND MGT	G 386-0481	82	82	3,000	3,000	3,000	506	---	795	---	1,000
MAHARASHTRA IRRIGATION TECH AND MGT	L 386-0481	82	82	44,000	44,000	44,000	10,534	---	6,466	---	10,000
MADHYA PRADESH MINOR IRRIGATION	G 386-0483	83	84	5,000	5,000	5,000	143	---	257	---	400
MADHYA PRADESH MINOR IRRIGATION	L 386-0483	83	84	41,000	41,000	41,000	1,439	---	2,560	---	4,000
IRRIGATION MANAGEMENT AND TRAINING	G 386-0484	83	90	41,000	41,000	11,000	681	7,000	3,321	6,000	5,000
IRRIGATION MANAGEMENT AND TRAINING	L 386-0484	83	90	10,000	10,000	10,000	---	---	1,000	---	2,000

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*[illegible]

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[illegible]

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDIA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DEVELOPMENT AND MANAGEMENT TRAINING		G	386-0487	82	83	2,150	2,150	2,150	487	---	561	---	700
FORESTRY RESEARCH, EDUCATION AND TRAININ	*	G	386-0488	87	90	---	8,000	---	---	---	---	2,000	---
FORESTRY RESEARCH, EDUCATION AND TRAININ	*	L	386-0488	87	90	---	12,000	---	---	---	---	12,000	---
HILL AREAS LAND AND WATER DEVELOPMENT		G	386-0489	84	87	4,000	4,000	4,000	---	---	500	---	1,000
HILL AREAS LAND AND WATER DEVELOPMENT		L	386-0489	84	87	50,000	50,000	16,000	---	24,000	2,500	10,000	5,000
MAHARASHTRA MINOR IRRIGATION		G	386-0490	84	85	6,000	4,000	4,000	---	---	500	---	1,000
MAHARASHTRA MINOR IRRIGATION		L	386-0490	84	85	46,000	46,000	46,000	---	---	1,000	---	2,500
NATIONAL SOCIAL FORESTRY SUPPORT		G	386-0495	85	88	6,500	6,500	2,200	---	2,300	450	1,000	600
NATIONAL SOCIAL FORESTRY SUPPORT		L	386-0495	85	88	77,000	77,000	16,400	---	14,900	12,000	13,600	13,000
AGRICULTURAL RESEARCH AND EDUCATION	*	G	386-0505	87	90	---	10,000	---	---	---	---	3,000	---
AGRICULTURAL RESEARCH AND EDUCATION	*	L	386-0505	87	90	---	40,000	---	---	---	---	10,000	---
TOTAL FOR ACCOUNT						418,200	688,200	483,300	210,640	51,200	66,182	60,600	69,300
GRANTS						100,200	118,200	59,900	3,320	12,300	12,699	15,000	15,200
LOANS						318,000	570,000	423,400	207,320	38,900	53,483	45,600	54,100
POPULATION PLANNING													
INTEGRATED RURAL HEALTH AND POPULATION		G	386-0468	80	83	13,800	13,800	13,800	12,849	---	950	---	---
FAMILY PLANNING COMMUNICATIONS AND MKTG		G	386-0485	83	85	13,000	13,000	13,000	---	---	1,000	---	3,000
FAMILY PLANNING COMMUNICATIONS AND MKTG		L	386-0485	83	85	34,000	34,000	34,000	---	---	5,000	---	5,000
CONTRACEPTIVE DEV-REPRODUCTIVE IMMUNOLOG		G	386-0500	85	85	900	1,800	900	---	---	300	---	300

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDIA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR ACCOUNT					61,700	62,600	61,700	12,849	---	7,250	---	8,300
GRANTS					27,700	28,600	27,700	12,849	---	2,250	---	3,300
LOANS					34,000	34,000	34,000	---	---	5,000	---	5,000
HEALTH												
INTEGRATED RURAL HEALTH AND POPULATION	G	386-0468	80	83	26,200	26,200	26,200	6,371	---	15,833	---	4,000
INTEGRATED CHILD DEVELOPMENT SERVICES	G	386-0476	83	85	4,200	4,200	4,200	2	---	398	---	600
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	83	350	350	350	201	---	49	---	100
BIOMEDICAL RESEARCH SUPPORT	G	386-0492	85	89	9,300	9,300	600	---	3,700	250	2,000	400
BIOMEDICAL RESEARCH SUPPORT	L	386-0492	85	89	3,800	3,800	3,800	---	---	100	---	200
CONTRACEPTIVE DEV-REPRODUCTIVE IMMUNOLOG	G	386-0500	85	85	100	100	100	---	---	100	---	---
BIO-IMMUNOLOGY AND DIAGNOSTIC	G	386-0503	86	88	---	5,000	---	---	3,000	100	1,000	500
CHILD SURVIVAL SUPPORT	G	386-0504	86	90	---	20,000	---	---	6,000	---	3,000	100
TOTAL FOR ACCOUNT					43,950	68,950	35,250	6,574	12,700	16,827	6,000	5,900
GRANTS					40,150	65,150	31,450	6,574	12,700	16,727	6,000	5,700
LOANS					3,800	3,800	3,800	---	---	100	---	200
CHILD SURVIVAL FUND												
CHILD SURVIVAL SUPPORT	G	386-0504	86	90	---	6,000	---	---	6,000	6,000	---	---
TOTAL FOR ACCOUNT					---	6,000	---	---	6,000	6,000	---	---
GRANTS					---	6,000	---	---	6,000	6,000	---	---
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	89	3,700	3,700	3,700	121	---	880	1,400	1,000

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDIA

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						3,700	8,700	3,700	121	---	880	1,400	1,000
GRANTS						3,700	8,700	3,700	121	---	880	1,400	1,000
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
TECHNOLOGIES FOR THE RURAL POOR		G	386-0465	78	78	2,000	2,000	2,000	1,944	---	55	---	---
ALTERNATIVE ENERGY RESOURCES DEVELOPMENT		G	386-0474	82	82	3,500	3,500	3,500	1,312	---	888	---	1,300
ALTERNATIVE ENERGY RESOURCES DEV. II		G	386-0494	86	90	---	10,000	---	---	3,000	---	---	300
PROJ. FOR ADVANCEMENT OF COMMERCIAL TECH		G	386-0496	85	88	11,100	12,100	4,000	---	2,100	1,000	4,000	3,000
TOTAL FOR ACCOUNT						16,600	27,600	9,500	3,256	5,100	1,943	4,000	4,600
GRANTS						16,600	27,600	9,500	3,256	5,100	1,943	4,000	4,600
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						744,150	862,050	593,450	233,440	75,000	99,082	72,000	89,100
GRANTS						188,350	254,250	132,250	26,120	36,100	40,499	26,400	29,800
LOANS						555,800	607,800	461,200	207,320	38,900	58,583	45,600	59,300

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: INDIA

PLANNED PROGRAM SUMMARY SHEET

Title Forestry Research, Education and Training	Funding Source	AG, RD & N 2,000 (G) 12,000 (L)	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 14,000	Life of Project Funding 8,000 (G) 12,000 (L)
Number 386-0468 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1990 Estimated Completion Date of Project FY 1992

Purpose: To broaden India's institutional capacity to train forest managers, forestry extension specialists, and forest scientists; and to generate appropriate technologies to use in preparing and implementing forest development strategies.

Project Description: Adequately trained manpower and appropriate technologies are pervasive constraints, as India directs its expanding forestry programs toward social forestry, watershed rehabilitation for erosion and flood control, biomass energy plantations, and intensively managed industrial woodlots. The shift in emphasis from a policy of protecting forests to a policy of managing public and private forests calls for new technologies and management strategies.

This new approach must reach India's forestry institutions. The Government of India (GOI) is designing a program to train personnel associated with forestry management extension and science activities. This effort will focus on the national Forest Research Institute, forestry colleges, agricultural universities, and forestry technical schools throughout India. The program will also support government research laboratories, universities, and public and private research institutes in development of appropriate technology to use in areas such as agroforestry and biomass energy plantations.

Relationship of Project to A.I.D. Country Strategy: A.I.D. has five projects focusing on its well-documented strategy for fuelwood development reforestation and conservation.

Host Country and Other Donors: The Sixth Five-Year Plan (ending March 1985) contained more than $300 million in GOI social forestry resources. Estimates for social forestry during the Seventh Five-Year Plan period exceed $2.7 billion. Based on the recommendations of a joint World Bank/U.S./British forestry sector assessment conducted in 1983, the GOI is preparing a comprehensive project with individual components for each donor to finance by late 1986.

Beneficiaries: The ultimate beneficiaries will be rural people, due to more effective forestry programs. Direct and immediate beneficiaries include village land owners who will more fully meet their forest product and cash income needs; forest workers who will be assured of more continuous employment; forest industries which will be assured of a more sustained resource base; and land management agencies which will benefit from a staff trained to develop, adopt, and implement appropriate technologies. Participation of women and members of scheduled castes and tribes in these programs is fully endorsed by the GOI.

Major Outputs	All Years
Scientists and educators trained	320
Research institutions developed/strenghtened	10
Univ. forestry programs developed	15
Forestry training inst. strengthened	4
B. Sc. Forestry degrees conferred	1,000
Training diplomas awarded	900
Research studies undertaken	250

A.I.D.-Financed Inputs	Life-of-Project ($000)
Equipment for research	2,000
Training and training materials	5,000
Technical assistance	3,000
Incremental staff costs	4,000
Research laboratories	3,000
Training facilities	2,000
Evaluation and Contingency	1,000
Total	20,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	14,000	6,000	20,000

Principal Contractors or Agencies

To be selected.

PROGRAM: INDIA

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Research and Education	Funding Source	AG, RD & N 3,000 (G) 10,000 (L)	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 13,000 Life of Project Funding 50,000 (10,000 G) (40,000 L)
Number 386-0505 ☒ GRANT ☒ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1990 Estimated Completion Date of Project FY 1992

Purpose: To expand the ability of the research and education system to address high priority problems in agricultural development and produce relevant information that can be delivered to agricultural producers, including small farmers.

Project Description: The Government of India (GOI) has focused on four development objectives: a high growth rate, national self-reliance, full employment and reduction of economic inequalities. The strategy to address these objectives is premised on the development of technologically dynamic agriculture. The project will contribute to this strategy by creating new agricultural technologies designed to eliminate specific constraints to food production, preservation and consumption, which will in turn increase agricultural productivity, rural employment and income.

The Project will deal primarily with the scientific areas identified by the Indo-U.S. Subcommission on Agriculture as high priority for U.S. collaborative assistance. The aim of the project is to enhance the capacity of the Indian agricultural research system to deal with scientific problems related to production and processing of commodities.

The Indian Council of Agricultural Research (ICAR) will manage the project, selecting research institutes from ICAR and those Indian and U.S. agricultural universities and agencies with appropriate strengths to deal with the particular research problems identified. A.I.D.'s primary contribution will be assistance to Indian scientists in problem identification and resolution.

Relationship of Project to A.I.D. Country Strategy: Two of A.I.D.'s strategic objectives are to improve the rural poor sector primarily through rapid agricultural modernization and to deploy relevant science and technology methodology to development initiations. Subprojects selected as research areas are of major importance in agricultural science and technology. The results developed by the subprojects should have a major impact on modernizing Indian agriculture.

Host Country and Other Donors: The host country would contribute approximately $25 million in direct financing and the value of staff, facilities and supporting services. The World Bank will support State Agricultural Universities in conducting regional agricultural research. The United Nations Development Program (UNDP) supports the national centers in agricultural research and education through grants under two projects covering eleven national centers.

Beneficiaries: The ultimate beneficiaries will be millions of farmers and consumers and workers in the processing industry, through increased production and consumption.

Major Outputs	All Years
Educators trained	100
Students trained by educators	1,000
Research Laboratories strengthened	50
Research laboratories established	10
Research projects initiated	20

A.I.D.-Financed Inputs	Life-of-Project ($000)
Scientific consultancies	5,000
Technical assistance	10,000
Training and training materials	10,000
Equipment/facilities	15,000
Incremental staff costs	9,000
Evaluation and contingencies	1,000
Total	50,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	13,000	37,000	50,000

Principal Contractors or Agencies

To be selected

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INDONESIA

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                                              FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (497) INDONESIA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)    173,103

PER CAPITA GNP........... (DOLLARS,1983)        560

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  5.0%

ANNUAL RATE OF INFLATION (1973-83) 18.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976)   6.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 54.8  MALE 53.1  FEMALE 56.5
                        (1970)   TOTAL 47.0  MALE 45.8  FEMALE 48.3

ADULT LITERACY RATE  (1980)   TOTAL  67%  MALE  78%  FEMALE  58%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                               (1975-1984)   3.0%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    26%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND [illegible])       483


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,CORN ,CASSAVA                      71%   (1984)
  CASH: RUBBER ,COFFEE ,CUPRA                           27%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RUBBER ,COFFEE ,TEA

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,COTTON ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    59%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
-------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                 (1978)     10,095 (79)     11,271 (80)     16,598
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                 (1978)     11,833 (79)     12,493 (80)     18,354
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                 (1978)     -1,738 (79)     -1,222 (80)     -1,758
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978) 15.0% (79) 12.7% (80) 12.7%
  AS % OF GNP.................. (1978)  3.5% (79)  3.5% (80)  3.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982) 4,196 (83) 4,814 (84) 5,720
  EQUIVALENT TO  2.3 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PET AND LIQ.GAS,TIMBER          RUBBER

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)3.546  (1983)4.267  (1984)4.535
   AS % OF TOTAL EXPORTS (1981)   22% (1982)   20% (1983)  24%

MAJOR IMPORTS(1983)RICE            ,WHEAT           ,TEXTILES

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)2.417  (1983)2.534  (1984)2.560
   AS % OF TOTAL IMPORTS (1981)   13% (1982)   15% (1983)  15%

TRADE BALANCE($ MILLIONS, U.S.)(1981) 6,783(82)  1,887(83) 1,012

TRADING PARTNERS: JAPAN ,UNITED STATES ,SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    45.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983) 2,555
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  13.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.2% (1978)   2.4% (1985)  2.1%

POPULATION IN URBAN AREAS............(1970)    17%   (1985)   22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)     31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)  38.2%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 40.0% (15-64YRS) 56.5% (65+ YRS)  3.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  89

PEOPLE PER PHYSICIAN................ (1979) 11,529

MAJOR CAUSES OF
DISEASE (1979) MALARIA          ,ENTERIC DISEASE ,FLU & PNEUMONIA
DEATH.. (1973) GASTROINTESTINAL,ENTERIC DISEASE ,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    98%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981)  23%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL   113   MALE   115    FEMALE   112
SECONDARY........ (1981)  TOTAL  31.4   MALE  38.9    FEMALE  21.7
POST SECONDARY... (1981)  TOTAL   2.9   MALE   2.9    FEMALE   1.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      314%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY INDONESIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	196.4	130.0	91.1	111.6	116.2	3215.2	787.3	2428.2
Loans	150.9	78.9	59.1	85.5	90.9	2517.1	787.3	1730.1
Grants	45.5	51.1	32.0	26.1	25.4	698.1	-	698.1
a. A.I.D. and Predecessor Agencies	82.7	68.6	67.5	71.8	74.7	1507.4	242.9	1264.5
Loans	54.6	33.9	43.3	55.8	54.8	1046.7	242.9	803.8
Grants	28.1	34.9	24.2	16.0	19.9	460.7	-	460.7
(Economic Support Fund)	-	-	-	-	-	65.0		
b. Food for Peace (PL 480)	113.7	61.2	23.5	39.6	41.5	1636.3	487.9	1148.4
Loans	96.3	45.0	15.3	31.5	36.0	1404.2	487.9	916.3
Grants	17.4	16.2	7.9	8.1	5.5	232.1	-	232.1
Title I – Total Sales Agreements	96.3	45.0	15.8	31.5	36.0	1449.2	487.9	961.3
Repayable in U.S. Dollars – Loans	96.3	45.0	15.8	31.5	36.0	1353.1	468.9	884.2
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	96.1	19.0	77.1
Title II – Total Grants	17.4	16.2	7.9	8.1	5.5	187.1	-	187.1
Emerg. Relief, Econ. Develop. & World Food Program	6.2	7.7	3.7	3.6	1.2	96.6	-	96.6
Voluntary Relief Agencies	11.4	8.5	4.2	4.5	4.3	90.5	-	90.5
c. Other Economic Assistance	-	-	-	-	-	71.5	56.2	15.3
Loans	-	-	-	-	-	66.2	56.2	10.0
Grants	-	-	-	-	-	5.3	-	5.3
Peace Corps	-	-	-	-	-	0.7	-	0.7
Narcotics	-	-	-	-	-	3.5	-	2.5
Other	-	-	-	-	-	6.1	-	6.1
II. MILITARY ASSISTANCE – TOTAL	35.1	12.4	42.2	27.4	47.4	585.6	181.5	404.1
Credits or Loans	32.0	10.0	40.0	25.0	45.0	296.7	181.5	115.2
Grants	3.1	2.4	2.2	2.4	2.4	288.9	-	288.9
a. MAP Grants	1.5	0.4	-	-	-	196.5	-	196.5
b. Credit Financing – FMS	33.0	10.0	40.0	25.0	45.0	296.7	181.5	115.2
c. Military Assistance Service Funded (MASF) Grants	1.6	1.1	2.2	2.4	2.4	38.6	-	38.6
d. Transfers from Excess Stocks	-	-	-	-	-	33.9	-	33.9
e. Other Grants	-	-	-	-	-	23.1	-	20.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	229.5	142.2	133.3	139.0	163.6	3800.8	968.5	2832.3
Loans	182.9	108.9	99.1	110.5	135.8	2813.8	968.5	1845.3
Grants	48.6	53.5	34.2	28.5	27.8	987.0	-	987.0
Other U.S. Government Loans and Grants	97.5	-	396.0	77.4	162.5	1397.1	903.2	493.9
a. Export-Import Bank Loans	97.5	-	396.0	77.4	162.5	1332.9	831.0	501.9
b. All Other Loans	-	-	-	-	-	64.2	72.2	8.0-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	1623.7	1572.4	1432.8	12372.2
IBRD	1329.9	1033.4	972.7	8006.1
IFC	25.0	7.1	1.2	168.2
IDA	0.0	0.0	0.0	931.4
IDB	0.0	0.0	0.0	0.0
ADB	264.0	523.0	414.5	3008.5
AFDB	0.0	0.0	0.0	0.0
UNDP	4.8	8.9	0.0	118.1
OTHER-UN	0.0	0.0	44.4	139.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	114.0	124.0	892.0
Japan	389.3	353.2	2,113.1
Germany, Fed. Rep.	156.8	107.2	625.3
Netherlands	113.4	71.8	480.9
France	31.6	70.4	265.1
Other	120.3	98.1	706.5
Total	925.4	824.7	5,082.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
18.3	N.A.	90.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	215
Eastern Europe	N.A.	-	365
Total			580

INDONESIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	31,825	24,325	-	5,000	2,000	500		
Grants	34,478	18,055	1,500	10,125	2,760	2,000		38*
Total	66,303	42,[illegible]	1,500	15,125	4,760	2,500		38
1986								
Loans	18,820	15,[illegible]	-	3,000		-		
Grants	34,140	20,290	-	8,400	2,300	3,150		
Total	52,960	36,110		11,400	2,300	3,150		
1987								
Loans	26,625	16,625	2,000	3,000	3,000	2,000		
Grants	26,375	12,250	4,000	5,400	1,500	5,225		
Total	55,000	28,875	6,000	8,400	4,500	7,225		

* Disaster relief assistance

FY 1987
PROGRAM HIGHLIGHTS

The FY 1987 program will:

- increase food production through diversification and by strengthening resource management - both natural and human - $36.1 million.
- expand off-farm employment opportunities by facilitating the use of credit and promoting small scale private enterprise - $6.5 million.
- broaden access to public health care and family planning - $14.4 million.
- support research into policy matters identified as critical by the Indonesian Government - $3.0 million.
- increase the number of participants in training by nearly two-thirds over FY 1985.

INDONESIA

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	25,347	47,840	47,105
Grants	17,874	22,646	24,793
Total AID	43,221	70,486	71,898
P.L. 480 **			
Title I	40,000	30,000	15,000
(of which Title III is)	( )	( )	( )
Title II	6,446	3,769	3,989
Total P.L. 480	46,446	33,769	18,989
Total AID and P.L. 480	89,667	104,255	90,887

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	259,000	40,000	202,000	30,000	116,000	15,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total	259,000	40,000	202,000	30,000	116,000	15,000
(of which Title III is)	0	0	0	0	0	0
Title II 1/						
Voluntary Agencies	32,166	6,446	20,383	3,769	21,644	3,989
Government - to - Government						
Title II Total	32,166	6,446	20,383	3,769	21,644	3,989
Total P.L. 480	291,166	46,446	222,383	33,769	137,644	18,989

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

INDONESIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	45	40	40
PASA[b]	3	5	5
TOTAL	48	45	45

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	284	188	472	480	249	729	654	165	819
Regional[e]	1	5	6	1	8	9	2	15	17
TOTAL	285	193	478	481	257	738	656	180	836

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	6	81	87	42	122	164	75	90	165
Regional[e]	34	109	143	32	159	191	32	161	193
TOTAL	40	190	230	74	281	355	107	251	358

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

INDONESIA

Development Overview

Indonesia, the world's fifth most populous country, has made considerable progress in the last 20 years. It has established national education, communications and transportation systems and a successful family planning program. It has controlled inflation; kept foreign debt to a manageable level; and, until the early 1980s, expanded oil exports. During the decade of the 1970s, real per capita GNP increased by two-thirds and now stands at about $560; rice production doubled and yields per hectare rose to the highest among the Association of Southeast Asian Nations (ASEAN); and literacy increased from 61% to 71% while education enrollment doubled. More recently, Indonesia has made major policy changes to help counteract loss of revenues from falling oil earnings and to bring about a restructuring of its economy over the longer term.

Indonesian development, reflected by gross domestic product (GDP) growth rising as high as 11.3% during the 1970s and settling at 9.9% in 1980, suffered under the world recession of 1981/82 as both the volume and prices of Indonesia's export commodities fell. GDP growth fell to zero in 1982/83, rebounded to 6.5% in 1984/85 and should grow at 2-3% during the next several years if the world economic recovery continues and international oil prices do not decline significantly.

Progress, however, has also posed a new set of development issues. Within less than a decade, for example, Indonesia has moved from the world's largest rice importer to rice self-sufficiency. Since prospects for continued rapid growth in incomes related to producing rice now appear limited, Indonesia must seek alternatives--such as diversifying into secondary crops, livestock, fisheries, and tree crops. Similarly, because of the uncertainties surrounding the future outlook for oil, Indonesia must increasingly replace it as a source of revenue for growth, domestic savings, import financing, and the national budget. This implies a need for profound changes in its economy.

While Indonesia has taken many positive steps in the past two years, it still needs to take additional measures. Major matters needing attention include promoting nonoil exports, mobilizing domestic resources through continued liberalization of the financial sector and implementing recent tax reforms. Other significant difficulties include the need to liberalize licensing and import trade policy, reduce protection to industry, expand programs for developing key professional and management skills, and, as mentioned previously, diversify agriculture toward secondary and agro-forestry crops.

Behind the urgency to restructure the economy and to maintain growth momentum lies the omnipresent pressures of population and unemployment. Nearly two-thirds of Indonesians live on 7% of its land, leaving little prospect for new jobs in agriculture in these areas.

INDONESIA

The incidence of poverty (44.6%) and underemployment (40.8%) in rural areas nearly doubles that of urban areas and has become a major factor in the migration from rural to urban areas now underway. Nearly one-half of the estimated population increase during the 1980s and two-thirds of that estimated to take place in the 1990s will occur in urban areas. Although family planning efforts have slowed growth rates to 2.1%, jobs must grow by two million annually just to keep pace with new entrants into the labor force.

U.S. Interests and Objectives

Indonesia stretches across the strategic region between Southeast Asia and Australia. It supplies essential raw materials to both Japan and the United States, furnishing the United States in 1984 with petroleum imports ($4 billion), rubber ($490 million), textiles ($250 million), and coffee ($160 million). The large population and growing economy provide investment opportunities for U.S. businesses and attractive markets for goods and services from the United States. U.S. investment, including petroleum exploration and development expenditures, will reach an estimated $3 billion in 1985. In 1984 Indonesia purchased 18% of its total imports, valued at $1.2 billion, from the United States. These included mainly agricultural commodities, chemicals and transport equipment.

As a leading member of ASEAN, Indonesia actively supports regional cooperation in commercial, economic and cultural fields. Indonesia has become a moderate voice in both the Islamic world and OPEC and a leader in seeking a reasonable approach to the North-South dialogue.

A.I.D. Development Strategy

The present A.I.D. development program in Indonesia focuses on three development goals: strengthening and diversifying food production; improving primary health care and family planning; and expanding off-farm employment. Two major thrusts for achieving these goals consist of developing human resources and building institutions that can adapt and diffuse technologies to accelerate development. The program strengthens selected institutions by improving the management and technical skills of their personnel and improving their ability to analyze their procedures and policies. The Mission encourages government entities to decentralize their operations and to involve the private sector in diffusing new technologies. The program assists policy analysis relevant to the goals mentioned above through research and demonstration projects and the Mission's policy dialogue with government officials.

A.I.D.'s development goals complement those of Indonesia's current five year plan, which began in April 1984, and give priority to investments in agriculture, human resource development, energy, industry and rural development. At the center of this investment strategy lies job creation.

INDONESIA

A.I.D. Program (FY's 1985-1986)

The current A.I.D. program consists of development assistance and food aid provided under PL 480 Titles I and II.

A. Agriculture, Rural Development and Nutrition

Funding under this sector supports A.I.D.'s goals of strengthening and diversifying food production and expanding productive off-farm employment. To strengthen and diversify food production and to extend past successful endeavors to attain rice self-sufficiency, A.I.D. has begun to move forward with the next steps. These include:

1. Expanding activities to diversify food production systems: A.I.D. amended the Applied Agricultural Research (497-0302) project and the Secondary Food Crops project (497-0304) in FY 1985 to reorient and strengthen agricultural research on improved technologies for producing secondary food crops. In addition, during FY 1986, A.I.D. will begin two new projects. The first, Aquatic Resources Development (497-0352), will concentrate on upgrading professional skills and institutions needed to develop, manage, and carry out policy analysis related to marine and aquaculture resources and to develop technologies to increase production.

The second activity, Rural Roads Management (497-0353), takes a longer term perspective at increasing agricultural productivity and access to markets. It will facilitate the development and management of rural road networks, particularly of efficient maintenance systems, in selected areas of the outer islands of Indonesia. The final evaluation of the recently completed Rural Works II project (492-0285) demonstrates that improvement of these roads, located in areas with difficult access, will reduce input and marketing costs, increase off-farm employment, enhance the development of small enterprises, and increase access to public services.

2. Strengthening resource management—both natural and human: A.I.D.'s two major activities in water resource management consist of the Upland Agriculture and Conservation (497-0311) project, which concentrates on developing upland watershed areas in heavily populated Central Java, and the Small Scale Irrigation Management (497-0347) project. The latter project, which began in FY 1985, provides $50 million to extend the coverage of small scale irrigation to selected outer islands. It will facilitate the design, testing and application of irrigation technologies and management systems to support diversified food crop production.

These emphases flow from the findings of two evaluations performed last year of a small scale irrigation project.

Based on these two assessments, the new initiative will also emphasize establishing water user associations and developing improved monitoring systems to track project performance. The development of institutions and human resources continues under an amendment to the Western Universities Agricultural Education project (497-0297). A.I.D., through a Title XII University, will continue to assist the agricultural faculties of nine key universities to increase their capacities to educate and undertake relevant research.

The Financial Institutions Development project (497-0341) and the Private Sector Development project (497-0329) support the creation of off-farm employment opportunities. The first develops replicable, self-financing rural credit and savings programs for rural residents in three provinces. An FY 1986 amendment to this project will seek to extend a similar program throughout a nation-wide system of bank branches.

The second project, Private Sector Development, seeks to encourage investment and enterprise development in areas of high employment potential. It uses project activities to identify and address specific constraints to private sector development. An amendment in FY 1986 will provide additional funds for pilot activities, training, special studies, and consulting services to expand enterprise development and employment opportunities.

A.I.D. will amend the PVO Co-Financing II project (497-0336) in FY 1986 to increase its life of project funding. Future grants will use the results of ongoing evaluations to ascertain the most effective way to utilize private voluntary organizations. During FY 1986 this project will integrate follow-on activities to the East Timor Development project (497-0330) which will require funds from health, education and special development activities accounts.

B. Health and Population

A.I.D. directs its programs in health and population towards: 1) reducing morbidity and mortality in infants, children under five and women of reproductive age, and 2) contributing to the Indonesian goal of reducing the crude birth rate from 32 to 22 per thousand by the end of the decade. A key element in achieving this goal consists of promoting closer ties between the health and family planning agencies. A.I.D. approaches these objectives through:

1. Assisting in design of cost-efficient delivery systems to reduce diarrheal disease morbidity and mortality and to immunize children and mothers. In FY 1986, A.I.D. will amend the Health, Training, Research and Development project (497-0273) to add training, a management information system to handle personnel and a mass media program with the private sector. These additions will help to change parental behavior concerning treatment of diarrheal disease.

2. Strengthening the decentralized primary health care system through trial work in three provinces under the Comprehensive Health Improvement Project--Province Specific (497-0325) and through improvements in the skill levels of those carrying out the primary health care program via the Faculties of Public Health Project (497-0348).

3. Improving nutrition and increasing the accessibility of family planning services and contraceptive prevalence in urban and rural Indonesia. The Village Family Planning, Mother Child Welfare project (497-0305) stands at the forefront of integrating nutrition, health, and family planning activities nationwide. A.I.D. now has underway an evaluation to measure program impact and to develop a management system to monitor this program. If the evaluation indicates a significant impact on the welfare of the families, A.I.D. will amend the project to expand its coverage. The project has received funding to continue its support to family planning activities in rural and urban areas, voluntary sterilization, training, management, research and development.

The PL-480 Title II program, in conjunction with Child Survival Funds, has played a large role in supporting the Catholic Relief Services program. This effort promises more effective and self-sufficient maternal child health and food for work programs and includes many recommendations from the 1984 evaluation.

C. Education and Human Resources

Developing human resource capabilities, especially at the mid- and upper-levels, cuts across all aspects of the A.I.D. program. The Mission aims at developing human resources and has the prime objective of building a local capacity to give graduate and undergraduate training to technicians and managers. It directs these efforts at building institutions toward selected Indonesian universities (emphasizing the faculties of health and agriculture, and funded under these accounts) and indigenous management training institutions. It involves the private sector as well as key local and central government agencies in these efforts.

A second objective focuses on building the capacity to develop realistic educational policies and to make relevant decisions A.I.D. supports the research and planning unit of the Ministry of Education under the Education Policy and Planning project (497-0344). This represents a major step in the policy improvement process, as does the use of regional Projec Development and Support funds for studies on selected education issues.

Finally, education and human resources funds continue to support overseas training programs and to improve student selection and preparation (particularly English language training) under the General Participant Training II project (497-0328).

As a result of this project and training under other projects, the number of participants trained should increase nearly by two-thirds over the three-year period from FY 1985 to FY 1987.

D. Selected Development Activities

A.I.D. has used FY 1985 and 1986 funds under this account in energy and policy development. An FY 1985 amendment to the PUSPIPTEK Energy Research Laboratory project (497-0333) provides technical assistance from the National Academy of Science to assist in developing the country's science and technology programs. The Development Studies project (497-0340), which will expand in FY 1986, provides technical and financial support to Indonesian organizations to do policy studies to assist the government's decision making process, particularly with respect to economic problems. A recent evaluation led to reorganizing project operations and increasing government responsibility for project management.

E. PL 480

The proceeds generated under Title I constitute an important resource in A.I.D.'s planning process. Since FY 1983, A.I.D. has directed increasing amounts of these funds towards self-help activities directly supporting or complementing its ongoing development activities, such as agricultural research, promoting cooperatives, and maintaining rural infrastructure.

Catholic Relief Services and Church World Service operates the Title II program. In FY 1986 Catholic Relief Services will orient its Food and Nutrition and Food for Work Programs more toward development. In addition, Title II, monetized in FY 1985 for use by the Cooperative League of the U.S.A., will help expand and intensify efforts to improve cooperatives. This addition does not include the self-help funds allocated under Title I for FY 1985 nor the Title I in FY 1986 now under consideration for cooperative development.

Requested Year Program (FY 1987)

The program requested for FY 1987 will finance three project amendments and seven ongoing projects. A.I.D. has no funds programmed for new projects in FY 1987. A.I.D. will direct its efforts toward streamlining the present development strategy for Indonesia, reducing the number of projects in line with staff reductions, implementing ongoing projects and modifying them as necessary to take advantage of lessons learned to date.

INDONESIA

A. Agriculture, Rural Development and Nutrition

To help address the need for food diversification, A.I.D. plans to amend the Secondary Food Crops project (497-0304) to improve linkages between agricultural extension and the private sector and to test technologies for delivering technical information on secondary food crops to farmers.

Of the ongoing activities which will require funding, three will focus on systems of diversified food production to increase employment: Small Scale Irrigation (497-0347), which emphasizes appropriate irrigation systems for crop diversification; Aquatic Resources Development (497-0353), which examines lakes and seas as food sources; and Rural Roads Management, which opens up markets and reduces costs. Financial Institution Development (497-0341) focuses on nonfarm employment by providing credit to small scale entrepreneurs to assist them in exploiting business opportunities.

B. Health and Population

A.I.D. requests funds to support two ongoing projects: one which assists private voluntary organizations working in health and one which concentrates on diarrheal diseases. The Expanded Immunization (497-0253) also needs funds. This project, in its early stages, helped provide basic resources such as training and commodities for an immunization program. It will now focus on improving coverage in high density urban areas and will include national coverage of selected immunizations and testing the most effective procedures in reaching the target audience: mothers of reproductive age and children. An evaluation, planned for early FY 1986, will enable A.I.D. to undertake an in-depth assessment of these various issues.

A.I.D. requests funds to amend the Family Planning Development and Services II project (497-0327). To expand activities in social marketing of contraceptives, voluntary sterilization and training.

C. Education and Human Resources/Selected Development Activities

The PVO Co-Financing project (497-0336) will require increased funds from the education and human resources and special development activities accounts. These emphases will respond to evaluation results which stress the important role of private voluntary organizations in developing small firms in Indonesia and the need to strengthen their capacity to contribute to local development. A.I.D. requests funds to support ongoing assistance to the Indonesian Government for activities related to policy formulation.

INDONESIA

D. PL 480

A.I.D. plans Title I support to help Indonesia meet its FY 1987 food import requirements. Although, Indonesia has reached self-sufficiency in rice for the present, it still has substantial requirements for other food grains. In addition, the self-help funds generated from this program support A.I.D.'s development strategy. A.I.D. is also requesting Title II assistance to maintain the Catholic Relief Services and Church World Service programs in Maternal, Child Health and Food-for-Work.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDONESIA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
SEDERMANA IRRIGATION AND LAND DEV II	G	497-0252	78	81	11,300	10,738	10,738	9,950	---	225	---	---
SEDERMANA IRRIGATION AND LAND DEV II	L	497-0252	78	81	25,000	21,780	21,780	20,784	---	780	---	---
SUMATRA AGRICULTURAL RESEARCH	L	497-0263	77	78	7,000	7,000	7,000	6,581	---	1,344	---	975
PROVINCIAL AREA DEVELOPMENT PROGRAM I	G	497-0264	77	83	5,100	5,100	5,100	4,462	---	25	---	400
PROVINCIAL AREA DEVELOPMENT PROGRAM I	L	497-0264	77	83	12,500	12,500	12,500	5,252	---	1,583	---	2,800
AG DEVELOPMENT PLANNING AND ADMIN	L	497-0265	77	78	5,000	4,569	4,400	4,336	---	---	---	---
RURAL ELECTRIFICATION I	L	497-0267	78	82	30,000	29,300	29,246	29,182	---	---	---	---
PROVINCIAL AREA DEVELOPMENT PROGRAM II	G	497-0276	79	84	10,000	10,000	10,000	7,972	---	100	---	675
PROVINCIAL AREA DEVELOPMENT PROGRAM II	L	497-0276	79	84	31,500	31,500	31,500	12,750	---	4,892	---	4,500
CITANDUY RIVER BASIN DEVELOPMENT II	G	497-0281	80	93	4,250	4,250	4,250	3,710	---	205	---	250
CITANDUY RIVER BASIN DEVELOPMENT II	L	497-0281	80	93	22,750	14,600	14,600	3,073	---	4,708	---	3,100
SMALL SCALE FISHERIES DEVELOPMENT	G	497-0286	80	82	3,000	3,000	3,000	2,433	---	330	---	238
GRADUATE AGRICULTURAL SCHOOL TITLE XII	L	497-0290	79	80	5,330	5,330	5,330	3,935	---	1,395	---	---
WESTERN UNIV AGRICULTURAL EDUCATION	G	497-0297	81	86	9,400	9,400	7,900	2,324	1,500	800	---	2,000
WESTERN UNIV AGRICULTURAL EDUCATION	L	497-0297	81	86	12,450	12,450	12,450	3,457	---	860	---	2,700
APPLIED AGRICULTURE RESEARCH	G	497-0302	80	86	7,000	14,100	9,500	4,749	4,600	1,785	---	1,375

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
APPLIED AGRICULTURE RESEARCH		L	497-0302	80	86	18,900	18,900	18,900	3,513	---	7,358	---	1,460
SECONDARY FOOD CROPS DEVELOPMENT		G	497-0304	83	87	1,000	3,500	210	---	790	96	2,500	450
SECONDARY FOOD CROPS DEVELOPMENT		L	497-0304	83	87	6,400	7,900	6,400	383	---	748	1,500	2,635
UPLAND AGRICULTURE AND CONSERVATION		G	497-0311	84	85	5,000	5,000	5,000	---	---	300	---	800
UPLAND AGRICULTURE AND CONSERVATION		L	497-0311	94	85	13,900	13,900	13,900	462	---	900	---	2,000
GENERAL PARTICIPANT TRAINING II		G	497-0328	93	86	---	810	---	---	810	---	---	---
GENERAL PARTICIPANT TRAINING II		L	497-0328	83	86	1,200	1,200	1,200	---	2,000	400	---	400
PRIVATE SECTOR DEVELOPMENT		G	497-0329	52	87	750	2,750	750	65	1,000	235	---	800
PRIVATE SECTOR DEVELOPMENT		L	497-0329	82	87	2,350	5,350	2,350	215	1,000	1,765	---	1,650
EAST TIMOR DEVELOPMENT (OPG)		G	497-0330	91	84	5,000	5,000	5,000	4,834	---	166	---	---
PVO CO-FINANCING II		G	497-0336	82	90	2,400	8,700	3,748	2,925	1,550	1,284	750	1,200
FINANCIAL INSTITUTIONS DEVELOPMENT		G	497-0341	84	87	3,000	7,000	3,000	13	1,000	477	3,000	650
FINANCIAL INSTITUTIONS DEVELOPMENT		L	497-0341	84	87	15,500	21,500	15,500	210	1,000	1,500	5,000	2,300
AGRICULTURE PLANNING		G	497-0342	84	85	3,000	3,000	3,000	42	---	519	---	800
AGRICULTURE PLANNING		L	497-0342	34	85	6,000	6,000	6,000	502	---	1,605	---	1,300
SMALL SCALE IRRIGATION MANAGEMENT		G	497-0347	85	88	7,000	7,000	3,500	---	3,450	250	---	1,000
SMALL SCALE IRRIGATION MANAGEMENT		L	497-0347	95	88	43,000	43,000	15,115	---	3,820	500	4,125	1,000
AQUATIC RESOURCES DEVELOPMENT		G	497-0352	86	87	---	5,400	---	---	2,400	---	3,000	200
AQUATIC RESOURCES DEVELOPMENT		L	497-0352	96	87	---	13,600	---	---	2,000	---	4,000	300

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDONESIA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DISTRICT ROADS MANAGEMENT SYSTEMS DEV.	G	497-0353	86	90	---	15,000	---	---	3,190	---	3,000	200
DISTRICT ROADS MANAGEMENT SYSTEMS DEV.	L	497-0353	86	90	---	35,000	---	---	6,000	---	2,000	700
TOTAL FOR ACCOUNT					335,980	425,127	292,867	136,709	36,110	37,024	28,875	38,658
GRANTS					77,200	119,748	74,696	43,357	20,290	6,796	12,250	11,038
LOANS					258,780	305,379	218,171	93,352	15,820	30,229	16,625	27,620
POPULATION PLANNING												
FAMILY PLANNING DEVELOPMENT AND SERVICES	G	497-0270	78	82	25,920	25,920	25,920	22,869	---	2,000	---	1,055
FAMILY PLANNING DEVELOPMENT AND SERVICES	L	497-0270	78	82	2,000	2,000	2,000	1,819	---	181	---	---
FAMILY PLANNING DEV AND SERVICES II	G	497-0327	83	87	7,500	11,500	7,500	52	---	3,200	4,000	1,400
FAMILY PLANNING DEV AND SERVICES II	L	497-0327	83	87	13,400	15,400	13,400	1,566	---	1,900	2,000	3,100
TOTAL FOR ACCOUNT					48,820	54,820	48,820	26,306	---	7,281	6,000	5,555
GRANTS					33,420	37,420	33,420	22,921	---	5,200	4,000	2,455
LOANS					15,400	17,400	15,400	3,385	---	2,081	2,000	3,100
HEALTH												
EXPANDED PROGRAM IMMUNIZATION	G	497-0253	79	87	3,200	6,200	3,200	2,339	---	191	3,000	670
EXPANDED PROGRAM IMMUNIZATION		497-0253	79	87	9,500	11,500	9,500	3,631	---	2,534	2,000	3,355
HEALTH TRAINING,RESEARCH AND DEVELOPMENT	G	497-0273	78	87	9,450	14,450	9,450	5,165	3,000	1,704	2,000	1,800
HEALTH TRAINING,RESEARCH AND DEVELOPMENT	L	[illegible]	78	87	1,450	2,450	1,450	192	---	456	1,000	450
VILLAGE FP/MOTHER-CHILD WELFARE	G	497-0305	80	86	10,000	13,000	10,000	5,049	3,000	2,437	---	2,000
VILLAGE FP/MOTHER-CHILD WELFARE	L	497-0305	80	86	---	3,000	---	---	3,000	500	---	500

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*Refers to the planned project summary sheet

G Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDONESIA CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	G	497-0325	81	85	5,000	5,000	5,000	1,591	---	600	---	930
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	L	497-0325	81	85	6,000	6,000	6,000	1,035	---	750	---	1,300
TIMOR MALARIA CONTROL	L	497-0326	80	80	3,600	3,600	3,600	1,941	---	826	---	600
FAMILY PLANNING DEV AND SERVICES II	L	497-0327	83	87	2,500	2,500	2,500	349	---	700	---	700
PVO CO-FINANCING II	G	497-0336	82	9[illegible]	3,350	6,275	3,673	1,533	400	400	400	400
FACULTIES OF PUBLIC HEALTH	G	497-0348	85	86	4,000	4,000	2,000	---	2,000	250	---	625
FACULTIES OF PUBLIC HEALTH	L	497-0348	85	86	5,000	5,000	5,000	---	---	200	---	800
TOTAL FOR ACCOUNT					63,250	82,975	61,373	22,825	11,400	11,528	8,400	14,130
GRANTS					35,200	48,925	33,323	15,677	8,400	5,582	5,400	6,425
LOANS					28,050	34,050	28,050	7,148	3,000	5,946	3,000	7,705
EDUCATION AND HUMAN RESOURCES												
PROFESSIONAL RESOURCES DEVELOPMENT II	L	497-0275	79	78	5,000	3,980	3,980	3,874	---	--	---	---
ENERGY MANPOWER AND TRAINING	G	497-0300	80	81	1,000	1,000	1,000	884	---	---	---	---
LOCAL GOVERNMENT TRAINING II	L	497-0308	80	83	7,000	6,000	6,000	2,346	---	3,654	---	---
IN-COUNTRY MANAGEMENT DEVELOPMENT	L	497-0317	82	82	4,000	4,000	3,190	2,301	---	1,189	---	---
GENERAL PARTICIPANT TRAINING II	G	497-0328	83	86	1,500	2,575	1,500	386	---	500	1,000	500
GENERAL PARTICIPANT TRAINING II	L	497-0328	83	86	15,420	18,795	15,420	2,117	---	2,300	3,000	3,100
PVO CO-FINANCING II	G	497-0336	82	90	2,400	3,300	1,000	708	300	500	500	500
EDUCATION POLICY AND PLANNING	G	497-0344	84	85	1,510	1,510	1,510	---	---	360	---	[illegible]
EDUCATION POLICY AND PLANNING	L	497-0344	84	85	4,990	4,990	4,990	94	---	320	---	1,500

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G Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE SECTOR MANAGEMENT DEVELOPMENT		G	497-0345	84	86	4,000	4,000	2,000	467	2,000	938	---	650
TOTAL FOR ACCOUNT						46,820	50,150	40,590	12,367	2,300	9,761	4,500	6,630
GRANTS						10,410	12,385	7,010	2,445	2,300	2,298	1,500	2,030
LOANS						36,410	37,765	33,580	10,422	---	7,463	3,000	4,600
SELECTED DEVELOPMENT ACTIVITIES													
SCIENCE AND TECHNOLOGY		G	497-0266	78	80	1,500	1,500	1,439	1,374	---	---	---	---
SCIENCE AND TECHNOLOGY		L	497-0266	78	78	5,000	5,000	4,950	4,344	---	---	---	---
ASSISTANCE TO ENVIRONMENTAL CENTERS		G	497-0314	79	80	500	500	500	396	---	---	---	---
ENERGY PLANNING FOR DEVELOPMENT		L	497-0318	82	82	750	750	750	627	---	---	---	---
PRIVATE SECTOR DEVELOPMENT		G	497-0329	82	87	---	1,000	---	---	---	---	1,000	---
PRIVATE SECTOR DEVELOPMENT		L	497-0329	82	87	1,500	1,500	1,500	723	---	242	2,000	200
PUSPIPTEK ENERGY RESEARCH LAB		G	497-0333	82	85	500	500	500	191	---	120	---	120
PUSPIPTEK ENERGY RESEARCH LAB		L	497-0333	82	85	11,750	11,750	11,750	1,275	---	1,880	---	3,880
PVO CO-FINANCING II		G	497-0336	42	90	2,900	7,890	2,540	1,439	1,150	1,250	1,225	1,225
DEVELOPMENT STUDIES		G	497-0340	83	87	4,000	9,000	4,000	708	2,000	1,400	3,000	1,500
TOTAL FOR ACCOUNT						28,400	39,390	27,929	11,575	3,150	4,892	7,225	6,925
GRANTS						9,400	20,390	8,979	4,106	3,150	2,770	5,225	2,845
LOANS						19,000	19,000	18,950	7,469	---	2,122	2,000	4,080
TOTAL FOR COUNTRY						523,270	652,462	471,579	210,282	52,960	70,486	55,000	71,898
GRANTS						165,630	238,868	157,428	88,506	34,140	22,646	28,375	24,793
LOANS						357,640	413,594	314,151	121,776	18,820	47,840	26,625	47,105

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* Refers to the planned project summary sheet

C Level of effort activity

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ISRAEL

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COUNTRY:  (271) ISRAEL                          FY 87 CP ECONOMIC AND SOCIAL DATA
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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      4,128

PER CAPITA GNP.......... (DOLLARS,1983)      5,370

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.9%

ANNUAL RATE OF INFLATION (1973-83) 73.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1980)   6.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 74.5  MALE 72.7  FEMALE 76.4
                    (1970)   TOTAL 71.3  MALE 70.0  FEMALE 72.6

ADULT LITERACY RATE  (1972)   TOTAL  88%  MALE  93%  FEMALE  83%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)   0.4%

AGRICULTURAL PRODUCTION AS %,OF GDP.............(1982)     5%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      324


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT .. ..                              17%   (1984)
  CASH: CITRUS FRUIT .. ..                               8%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,COTTON ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SORGHUM ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)     6%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1978)      8,174 (79)     12,442 (80)     14,017
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1978)     10,014 (79)     15,151 (80)     17,955
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1978)     -1,841 (79)     -2,709 (80)     -3,938
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978) 33.3% (79) 36.5% (80) 36.8%
  AS % OF GNP................. (1978) 23.1% (79) 29.1% (80) 30.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982) 3,881 (83) 3,688 (84) 3,095
  EQUIVALENT TO  0.9 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)POL. DIAMONDS  ,FRUITS          ,TEXTILE PROD.

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,119  (1983)1,319  (1984)1,806
   AS % OF TOTAL EXPORTS (1982)   22% (1983)   25% (1984)  27%

MAJOR IMPORTS(1983)MILITARY EQ    ,ROUGH DIAMONDS ,OIL

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,542  (1983)1,626  (1984)1,674
   AS % OF TOTAL IMPORTS (1982)   19% (1983)   20% (1984)   6%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -3,295(83) -3,291(84)-2,678

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    55.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................. (1983) 1,949
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  35.2%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   3.2% (1978)   2.4% (1985)  1.9%

POPULATION IN URBAN AREAS.. .........(1970)    84%   (1985)   91%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    27    (1985)     23

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (   .)     . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 32.7% (15-64YRS) 59.1% (65+ YRS)  8.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  13

PEOPLE PER PHYSICIAN................ (1979)    371

MAJOR CAUSES OF
DISEASE (1980) SHIGELLOSIS     ,CHICKEN POX     ,MUMPS
DEATH.. (1978) ILL-DEFINED CAUS,STROKE          ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   120%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(    .)    .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL    126   MALE   125    FEMALE   126
SECONDARY....... (1982)  TOTAL   49.1   MALE  43.4    FEMALE  50.3
POST SECONDARY.. (1979)  TOTAL   22.4   MALE  23.2    FEMALE  21.5

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      0.9%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ISRAEL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. **ECONOMIC ASSISTANCE – TOTAL**	786.0	764.0	806.0	785.0	910.0	8851.0	976.0	7875.0
Loans	261.0	-	-	-	-	2079.6	976.0	1103.6
Grants	525.0	764.0	806.0	785.0	910.0	6771.4	-	6771.4
a. **A.I.D. and Predecessor Agencies**	785.0	764.0	806.0	785.0	910.0	8186.8	438.3	7748.5
Loans	260.0	-	-	-	-	1509.3	438.3	1071.0
Grants	525.0	764.0	806.0	785.0	910.0	6677.5	-	6677.5
(Economic Support Fund)	785.0	764.0	806.0	785.0	910.0	7604.5		
b. **Food for Peace (PL 480)**	1.0	-	-	-	-	664.1	537.7	126.4
Loans	1.0	-	-	-	-	570.3	537.7	32.6
Grants	-	-	-	-	-	93.8	-	93.8
Title I - Total Sales Agreements	1.0	-	-	-	-	601.7	537.7	64.0
Repayable in U.S. Dollars - Loans	1.0	-	-	-	-	323.1	260.7	62.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	277.0	1.6
Title II - Total Grants	-	-	-	-	-	62.4	-	62.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	2.2	-	2.2
Voluntary Relief Agencies	-	-	-	-	-	60.2	-	60.2
c. **Other Economic Assistance**	-	-	-	-	-	0.1	-	0.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. **MILITARY ASSISTANCE – TOTAL**	1000.0	1400.0	1400.0	1700.0	1700.0	19104.2	5041.0	14063.2
Credits or Loans	500.0	900.0	850.0	950.0	850.0	11204.2	5041.0	6163.2
Grants	500.0	500.0	550.0	750.0	850.0	7900.0	-	7900.0
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	500.0	900.0	850.0	950.0	850.0	11204.2	5041.0	6163.2
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	500.0	500.0	550.0	750.0	850.0	7900.0	-	7900.0
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	1786.0	2164.0	2206.0	2485.0	2610.0	27955.2	6017.0	21938.2
Loans	761.0	900.0	850.0	950.0	850.0	13283.8	6017.0	7266.8
Grants	1025.0	1264.0	1356.0	1535.0	1760.0	14671.4	-	14671.4
Other U.S. Government Loans and Grants	305.9	217.4	24.0	-	-	1130.6	802.8	327.8
a. Export-Import Bank Loans	305.9	217.4	6.5	-	-	1113.1	793.4	319.7
b. All Other Loans	-	-	17.5	-	-	17.5	9.4	8.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. **ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	0.0	0.8	20.0	361.3
IBRD	0.0	0.0	0.0	284.2
IFC	0.0	0.0	0.0	10.5
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	15.4
OTHER-UN	0.0	0.0	0.0	1.2
EEC	0.0	0.0	20.0	30.0

B. **BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

1. **D.A.C. COUNTRIES (Gross Disbursements)**

	CY 1982	CY 1983	CY 1978-83
United States	804.0	1,314.0	5,766.0
Germany, Fed. Rep.	106.5	81.0	480.2
Netherlands	0.8	0.7	4.9
France	0.5	2.1	3.2
Switzerland	0.3	0.4	2.0
Other	0.7	0.5	2.9
Total	912.8	1,398.7	6,259.2

2. **O.P.E.C. COUNTRIES (Gross Disbursements)**

C. **LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

ISRAEL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	1,950.0*	1,898.4*	1,200.0

*Includes a $750 million supplemental appropriation.

Development Overview

After the 1973 Arab-Israeli war, events converged to threaten Israel's ability to provide for the security and economic well-being of its people. First, the Government's decision to expand and modernize its military forces required a massive diversion of civilian manpower and financial resources to meet these needs: over one-third of gross national product (GNP) and 20-25% of the labor force. Concurrently, the general world inflation raised Israel's import bill, while recession in OECD countries adversely affected its ability to export.

The resulting large balance of payments deficit and accelerating inflation became the principal non-military problems facing the government. To deal with them, Israel introduced policies to curb demand (including demand for imports), stimulate exports, and restrain monetary expansion.

Initially, these policies succeeded in reducing the balance of payments deficit. However, when the Government relaxed some of these measures, the deficit on civilian goods and services account soared, tripling from $1.4 billion in 1977 to $4 billion in 1983, before declining to $3.4 billion in 1984. Beginning in 1979, inflation accelerated to triple digit levels. In 1984 it reached an annual rate of 445%.

To cushion Israelis against the worst effects of inflation, a pervasive system of indexation has evolved which covers wages, savings, income tax brackets, welfare payments, etc. The system helps protect real incomes and the real value of financial assets, but reinforces strong inflationary pressures. The Israeli invasion of Lebanon also added to Israel's economic burdens.

Since 1982 there has been little real economic growth. In 1982 and 1983 exports failed to grow after several years of sustained expansion. Exports recovered in 1984, but investment and private consumption fell sharply.

Since the Unity Government's formation in September 1984, Israeli officials have been attempting to develop an economic stabilization program which would restore price stability and balance of payments equilibrium. In October 1984 the President and Prime Minister Peres established the Joint Economic Development Group (JEDG) to review Israel's short and long run economic problems, and consider the appropriate role of U.S. assistance in furthering reform and development.

In July 1985, the Government adopted a stabilization program which is more comprehensive than any which have preceded it. The new program features subsidy cuts, price adjustments followed by a freeze, reductions in the government workforce and government expenditures, tax increases, downward adjustments in real wages, a currency devaluation and measures designed to increase the scope for monetary policy. To achieve the program's objectives of restoring economic stability and reestablishing conditions for a resumption of growth, the government will need to implement the new program effectively and take further measures, particularly in the fiscal and monetary areas.

United States Interests and Objectives

Israel's security is essential to achieving a comprehensive peace in the Middle East. U.S. assistance programs, both military and economic, tangibly reflect U.S. support and help give Israel the confidence it needs to take the risks necessary to reach a peace settlement with its Arab neighbors.

A.I.D. Assistance Strategy

A.I.D. is directly supporting Israel's civilian economy, thereby facilitating achievement of a modest rate of economic growth and management of Israel's balance of payments problem. Economic policy issues are discussed with Govenment of Israel representatives on a regular basis.

A.I.D. Program: (FYs 1985-1986)

In FY 1985, A.I.D. provided a cash transfer of $1.2 billion from the Economic Support Fund ($65 million of which was used to endow four U.S.-Israeli binational foundations). Additionally, A.I.D. disbursed $750 million of the $1.5 billion supplemental appropriation passed by the Congress. In October 1985, A.I.D. disbursed the entirety of the $1.2 billion ESF earmark for FY 1986 as required by the authorizing legislation. (The Israeli Government has indicated that it will return 4.3 percent of this amount, or $51.6 million, as required by Gramm-Rudman.) The remaining $750 million from the FY 1985 supplemental is also scheduled for disbursement during FY 1986. The timing of the disbursement will be based on achievement of programmatic benchmarks mutually agreed upon by the U.S. and Israeli Governments related exclusively to economic performance. A.I.D.'s program permits Israel to meet short-term balance of payments requirements, maintain budgeted foreign exchange expenditures, import the goods and services it needs without borrowing massive amounts at market terms, and build up foreign exchange reserves to a more desirable level.

Requested Year Program (FY 1987)

For FY 1987, A.I.D. proposes a $1.2 billion cash grant. Provision of assistance in the form of a cash grant is conditional upon receipt of satisfactory Israeli Government assurances that Israel will import from the United States non-defense goods at least equal in dollar value to our level of economic assistance obligations, that U.S. exporters will continue to enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers. Israel has provided these assurances each year since FY 1979, when the commodity import program was terminated and replaced by a cash transfer, and has complied with them.

ISRAEL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	1,950,000	1,898,400	1,200,000
Total AID	1,950,000	1,898,400	1,200,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	1,950,000	1,898,400	1,200,000

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ISRAEL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
CASH TRANSFER	*	G	271-KX87	87	87	---	1,200,000	---	---	---	---	1,200,000	1,200,000
CASH TRANSFER		G	271-K620	85	85	1,950,000	1,950,000	1,950,000	1,950,000	---	---	---	---
CASH TRANSFER		G	271-K622	86	86	1,200,000	1,200,000	---	---	1,148,400	1,148,400	---	---
SUPPLEMENTAL CASH TRANSFER		G	271-K623	86	86	1,500,000	1,500,000	---	---	750,000	750,000	---	---
TOTAL FOR ACCOUNT						4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
GRANTS						4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
GRANTS						4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

JORDAN

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (278) JORDAN

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      2,668

PER CAPITA GNP.......... (DOLLARS,1983)      1,640

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  6.9%

ANNUAL RATE OF INFLATION (1973-83) 10.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 64.5  MALE 62.6  FEMALE 66.4
                    (1970)   TOTAL 54.1  MALE 52.5  FEMALE 55.8

ADULT LITERACY RATE  (1979)   TOTAL  65%  MALE  81%  FEMALE  54%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)   3.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     7%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981)       204


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,BARLEY ,LENTILS                 6%   (1984)
  CASH: VEGETABLES ,OLIVES ,FRUIT                     25%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) VEGETABLES ,CITRUS FRUIT ,TOBACC

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,FRUIT ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1979)    10%
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*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1980)      1,400 (81)       1,512 (82)       1,543
TOTAL EXPENDITURES AND NFT LENDING ($ MILLIONS, U.S.)
               (1980)      1,769 (81)       1,863 (82)       1,907
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1980)       -369 (81)        -351 (82)        -384
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979) 24.9% (81) 22.4% (82) 23.3%
  AS % OF GNP................. (1979) 15.2% (81) 11.6% (82) 11.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)                (1982) 1,100 (83) 1,024 (84)   687
  EQUIVALENT TO  2.3 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)FRUIT AND VEG  ,PHOSPHATE ROCK .

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    0  (1984)    1
   AS % OF TOTAL EXPORTS (1982)    0% (1983)    0% (1984)   0%

MAJOR IMPORTS(1983)PETROLEUM PROD ,TEXTILES       ,CAPITAL GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  354  (1983)  380  (1984)  296
   AS % OF TOTAL IMPORTS (1982)   14% (1983)   14% (1984)  12%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,131(83) -2,122(84)-1,720

TRADING PARTNERS: SAUDI ARABIA ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    69.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   213
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  36.7%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   3.7% (1978)   3.7% (1984)  3.8%

POPULATION IN URBAN AREAS............(1970)    51%   (1985)   60%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     39

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)  26.0%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 48.2% (15-64YRS) 49.1% (65+ YRS)  2.7%

 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  51

 PEOPLE PER PHYSICIAN................. (1982)  1,165

 MAJOR CAUSES OF
 DISEASE (1981) CHICKEN POX     ,MUMPS           ,MEASLES
 DEATH.. (1975) HEART DISEASE   ,ILL-DEFINED CAUS,UNKNOWN AILMENTS

 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    95%

 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982)  80%

 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY.......... (1982)  TOTAL  81.3   MALE  81.4    FEMALE  81.2
 SECONDARY........ (1982)  TOTAL  61.6   MALE  61.8    FEMALE  56.2
 POST SECONDARY.. (1980)  TOTAL  11.5   MALE  12.0    FEMALE  11.1

 ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY JORDAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	72.7	10.5	15.4	20.1	20.0	1488.2	60.0	1428.2
Loans	31.0	-	10.0	10.0	7.0	336.1	60.0	276.1
Grants	41.7	10.5	5.4	10.1	13.0	1152.1	-	1152.1
a. A.I.D. and Predecessor Agencies	69.0	10.0	15.0	20.0	20.0	1285.9	21.5	1264.4
Loans	30.0	-	10.0	10.0	7.0	273.2	21.5	251.7
Grants	39.0	10.0	5.0	10.0	13.0	1012.7	-	1012.7
(Economic Support Fund)	69.0	10.0	15.0	20.0	20.0	976.7		
b. Food for Peace (PL 480)	3.7	0.5	0.4	0.1	-	200.8	38.5	162.3
Loans	1.0	-	-	-	-	62.9	38.5	24.4
Grants	2.7	0.5	0.4	0.1	-	137.9	-	137.9
Title I - Total Sales Agreements	1.0	-	-	-	-	62.9	38.5	24.4
Repayable in U.S. Dollars - Loans	1.0	-	-	-	-	59.2	34.9	24.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	3.6	0.1
Title II - Total Grants	2.7	0.5	0.4	0.1	-	137.9	-	137.9
Emerg. Relief, Econ. Develop. & World Food Program	0.5	-	-	*	-	91.9	-	91.9
Voluntary Relief Agencies	2.2	0.5	0.4	0.1	-	46.0	-	46.0
c. Other Economic Assistance	-	-	-	-	-	1.5	-	1.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.5	-	1.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.2	-	0.2
Other	-	-	-	-	-	1.3	-	1.3
II. MILITARY ASSISTANCE – TOTAL	79.3	44.3	56.9	52.8	116.7	1265.7	455.7	810.0
Credits or Loans	50.0	42.1	54.7	51.5	115.0	706.3	455.7	250.6
Grants	29.3	2.2	2.2	1.3	1.7	559.4	-	559.4
a. MAP Grants	28.3	1.4	-	-	-	497.3	-	497.3
b. Credit Financing - FMS	50.0	42.1	54.7	51.5	115.0	706.3	455.7	250.6
c. Military Assistance Service Funded (MASF) Grants	1.0	0.8	2.2	1.3	1.7	16.1	-	16.1
d. Transfers from Excess Stocks	-	-	-	-	-	46.0	-	46.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	152.0	54.8	72.3	72.9	136.7	2753.9	515.7	2238.2
Loans	81.0	42.1	64.7	61.5	122.0	1042.4	515.7	526.7
Grants	71.0	12.7	7.6	11.4	14.7	1711.5	-	1711.5
Other U.S. Government Loans and Grants	276.3	-	-	-	65.0	409.4	189.5	219.9
a. Export-Import Bank Loans	276.3	-	-	-	65.0	404.7	184.1	220.6
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	35.8	147.7	113.0	725.8
IBRD	35.8	130.0	101.5	452.3
IFC	0.0	0.7	0.0	96.1
IDA	0.0	0.0	0.0	83.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	2.5	0.0	42.2
OTHER-UN	0.0	0.0	0.0	7.4
EEC	0.0	14.5	11.5	44.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	34.0	24.0	286.0
Germany,Fed. Rep.	19.4	18.6	134.2
United Kingdom	5.8	4.2	70.1
Japan	12.4	20.0	55.5
France	3.0	10.5	27.5
Other	3.3	7.0	47.6
Total	77.9	84.3	620.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
636.1	N.A.	4,054.4

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	30
Eastern Europe	-	-	n/a
Total	-	-	30

JORDAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Loans	5.0	-	4.0
Grants	95.0	89.570	14.0

Development Overview

Jordan continues to face a deepening and broadening of its economic problems as increasing financial constraints impact on economic growth and cause the Government of Jordan (GOJ) to postpone or stretch out all but its most essential development plans and projects. It is estimated that the real economic growth rate for 1984 was zero or less on a per capita basis, with no significant change expected in 1985. This is a significant decrease from the 9 to 10 percent per annum growth rates that Jordan enjoyed from 1975 to 1981.

Rapid population growth (estimated at 3.8 percent per annum), a persistent shortage of water, limited arable land and the paucity of natural resources constitute major constraints to Jordan's continued economic development. Only about 4 percent of Jordan's land is arable and expansion of irrigation is constrained by water scarcity. As a result, about 60 percent of all food is imported. Phosphates and potash from the Dead Sea constitute Jordan's only significant natural resources. Exports of these minerals comprise over 40 percent of Jordan's merchandise export earnings. Jordan's well-educated and trained labor force is a major development resource. Indeed, the remittances of Jordanians working abroad are a driving force in the economy and were equivalent to 19 percent of Gross National Product (GNP) in 1984. Reflecting the strength of Jordan's human capital base, service industries account for 64 percent of Gross Domestic Product (GDP). Mining and manufacturing account for 18 percent of GDP, construction for 10 percent; and agriculture only 8 percent. Over 60 percent of the 2.8 million population reside in urban areas, and over 70 percent are literate.

Despite natural resource constraints, Jordan developed rapidly in the 1970's with high levels of investment sustained by substantial inflows of remittances from the 320,000 Jordanians working abroad and by Arab and other donor aid. Jordan has achieved middle income status with per capita GNP reaching $1,640.

With the sharp drop in oil earnings of the Gulf States since 1981, Arab donor aid has been reduced and workers' remittances have stabilized. From a peak of $1.2 billion in 1980, Arab aid dropped by half to $600 million in 1984. Workers' remittances have grown marginally, from $1 billion in 1981 to $1.2 billion in 1984. Export earnings have been volatile, while tourism earnings have declined steadily. With reduced foreign income and donor aid, foreign borrowing has expanded. Reported public external debt has

JORDAN

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	53,291	33,977	11,232
Grants	21,825	49,603	95,801
Total AID	75,116	83,580	107,033
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	75,116	83,580 a/	107,033 b/

AID levels represent actual and estimated expenditures

** *P.L. 480 levels represent actual and estimated value of shipments*

a/ Includes CIP for 25,000.
b/ Includes CIP for 60,000.

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	14.6	18.3	19.5
PASA[b]	1.0		
TOTAL	15	18	19

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	129	158	37	139	176	37	139	176
Regional[e]		5	5		8	8		4	4
TOTAL	29	134	163	37	147	184	37	143	180

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]									
Regional[e]	5	2	7	7	23	30	7	18	25
TOTAL	5	2	7	7	23	30	7	18	25

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

doubled from $1.2 billion at the end of 1980 to $2.4 billion at the end of 1984, equivalent to 50 percent of GNP. However, even with such borrowing, prior rates of investment and consumption could not be maintained. Real GNP growth thus fell from double digit levels in the late 1970's to 1.2 percent in 1983 and 0.5 percent in 1984. Economic growth has remained at these low levels in 1985.

With reduced job opportunities in the Gulf States and continued high labor force growth estimated at 4 percent per annum, addressing Jordan's impending unemployment problem ranks high on the government's agenda. The slowdown in the economic growth rate in Jordan occasioned by reduced external resource availabilities limits the pace at which new jobs will be created.

The GOJ's new five-year development plan for 1986-1990 will stress Jordan's persistent, ever-growing need for more water, further development of the services sector, energy, transportation and agricultural development. A major effort is also expected to develop regional planning units in each of the seven governorates. These units are expected to decentralize planning functions and to extend additional services to lower income groups. In agriculture, the GOJ is expected to increase the attention it gives to the rainfed highlands and the desert range areas and to decrease relatively its attention to the irrigated areas of the Jordan Valley which received major emphasis in the 1981-1985 five-year plan.

U.S. Interests and Objectives

Jordan's continued survival as a moderate pro-western nation is of vital interest to the United States. It is clear that Jordan will continue to play a key role in any negotiated resolution of the Israeli-Arab conflict that is to be both equitable and lasting. Because of its strategic location and orientation as a firmly anti-Communist nation, Jordan plays a pivotal role in containing Soviet power and influence in the region.

Jordan, under King Hussein's leadership, has continued to take substantial risks to achieve a negotiated peace with Israel on the basis of U.N. Security Council Resolutions 242 and 338. Although Jordan is very vulnerable to external and internal pressures from elements determined to thwart peace with Israel, it has nevertheless taken a number of bold steps to rejuvenate the peace process during the past year. The King broke ranks with the Arab mainstream to restore relations with Egypt and gained PLO agreement to seek a negotiated peace with Israel within the context of an international conference.

Economic assistance is an essential component of U.S. efforts to promote Jordanian stability. U.S. economic aid is a visible and important part of the U.S. presence in Jordan, assisting in the building of both the physical and human infrastructure which helped foster recent socio-economic development. Over the years, A.I.D.-supported activities have generated much good will for the United States.

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A.I.D. Development Strategy

President Reagan requested and Congress appropriated $250 million supplemental grant assistance for Jordan for FY 1985-1987. This was in recognition of the enormous risks that King Hussein has taken to advance the Middle East peace process. These funds will help reduce the balance of payments constraints now limiting the Kingdom's economic growth. A.I.D. is using these funds to promote greater dialogue on indigenous institutional development in both the public and private sectors and to stimulate the transfer of high technology.

The Commodity Import Program (CIP) funded from the supplemental appropriation will make a significant contribution towards imports which Jordan needs to resume economic growth. It will enable both the private and the public sectors to buy such items as industrial equipment, irrigation and agricultural equipment and medical instruments from the United States. It is hoped that this program will provide Jordan with relatively fast disbursing balance-of-payments support, thus stimulating economic activity in the near term.

A.I.D. has already begun a $30 million grant project to build approximately 40 schools for boys and girls in the compulsory cycle (Grades 1-9) in various locations within Jordan. This $30 million is the first third of the $90 million in supplementary project assistance. Grants for the development of the water and transport sectors (also using proceeds of the supplemental) are also being designed for implementation starts in FYs 1986 and 1987.

These programs attempt to increase Jordan's capability for self-sustaining growth. A.I.D.'s strategy is to help Jordan finance projects that strengthen indigenous institutions and transfer technologies. The Agency is helping Jordan to provide safe water and sewerage services to its people; fully exploit, conserve and manage its limited water resources; increase agricultural productivity and improve economic opportunities in rural areas; increase public awareness of and actions to solve health and population problems; increase the generation of domestic revenues; and meet the requirements for technically trained labor and managerial expertise in critical development areas. A.I.D. is also helping the Jordanians to meet their needs for low-cost housing through a housing guarantee program of $25 million over the next five years.

A.I.D. Program: FYs 1985-1986

Commodity Import Program: Late in FY 1985 the Administration requested and Congress enacted supplemental legislation that provided $250 million in additional aid for Jordan. $160 million of this supplemental was provided for a commodity import program (CIP) to be obligated over three years. In FY 1985 A.I.D. obligated $50 million for this activity, and in FY 1986 an additional tranche will be obligated. This CIP grant will finance a substantial amount of the foreign exchange costs of commodities and commodity-related services that Jordan needs to sustain its import requirements and to stimulate a higher rate of economic growth. A.I.D. will grant dollars to Jordan to pay for essential commodity imports in both the public and private sectors. This program should help Jordan break its present balance-of-payments constraint through relatively fast disbursing commodity support which could, through indirect as well as direct effects, lead to an import level 7.5 percent higher than would otherwise be possible by 1988. This in turn should stimulate a higher level of economic growth which is essential if jobs are to be found for Jordan's ever-expanding labor force.

Education: In FY 1985 a $30 million grant was provided for A.I.D.'s School Construction III project (270-0276). This too was funded from the supplemental aid package. The grant partially finances the construction of approximately 40 compulsory-level schools in rural and urban locations throughout Jordan. The 40 three-story schools will include about 1,200 classrooms, plus libraries, storage areas, meeting halls and administrative rooms. Approximately half of these new schools will be for girls. This is the third major school building project that the U.S. has helped fund in Jordan, and its design builds on the evaluation and implementation experience of the first two highly successful A.I.D. projects. It will help the government to bring modern, efficient educational facilities to up to 45,000 boys and girls. This project supports the GOJ's goal to provide compulsory cycle education for all Jordanian children. Jordan will contribute nearly 27 percent of the total project costs in addition to providing land for all school sites.

In FY 1986, A.I.D. plans to provide grant funds for the Development Administration Training (DAT) IV project (278-0267). The grant will provide training in economic and technical skill areas assigned priority in the GOJ's development plan. An approximately equal mix of person-months of long-term academic and short-term practical programs is planned. Graduate-level training will provide exposure of key Jordanians to U.S. educational systems and technology. Short-term practical programs will assist Jordanians in confronting the increasingly complex technological and social challenges of their society.

Water and Wastewater: In FY 1985, A.I.D. continued support to Jordan's water sector through a continuing policy dialogue with the recently established Water Authority of Jordan (WAJ). In addition A.I.D. conducted a series of project interventions that help to extend and improve the distribution of water, the collection and treatment of wastewater and the provision of other water related services to Amman and nine secondary cities. On-going projects cover the cities of Amman, Aqaba, Irbid, Zarqa and Ruseifa. With the completion of these facilities, more than 50 percent of Jordan's urban population will have access to improved water systems, sewage collection, and treatment services.

In FY 1986, A.I.D. plans to make a grant from the $250 million in supplemental aid for Jordan for the Irbid Water and Wastewater II project (278-0271) for the construction of two water treatment plants in the Irbid area - one at Sal and the other at Sawm - and the requisite engineering design and construction supervision services. This project supports A.I.D.'s long-term goal of helping Jordan to expand water distribution systems and wastewater collection and treatment facilities and builds effectively on A.I.D.'s Irbid Water and Sewerage project (278-0233), now about half complete. Also, in FY 1986, A.I.D. plans to undertake an evaluation of its water sector assistance.

Agricultural and Rural Development: In FY 1985, A.I.D. initiated the Highland Agricultural Development project (278-0264) with $12 million in grant and $5 million in loan funds. This project attempts to increase agricultural productivity in Jordan's rainfed highlands. Agriculture in these areas has lagged behind production gains made in other countries and Jordan's irrigated agricultural areas due to the lack of a coordinated research and extension effort, land ownership fragmentation, farm labor shortages, and a failure to promote adaptations of new technology. A.I.D. loan funds will be used to set up a national center for research and technology transfer and four regional agricultural services centers that will supply research and extension services, improved seed, nursery stock, technical advice and other inputs to highland farmers. Grant funds will be used to provide technical assistance and training for the Ministry of Agriculture's Directorate of Research and Extension and to promote greater collaborative research efforts with the University of Jordan's Faculty of Agriculture.

Population: Jordan's limited resource base, high population growth rate and health status indicators require that efforts be directed to assuring that couples receive information and services on child-spacing options. A.I.D. maintains a continuing dialogue with key GOJ policy makers on population concerns and was successful in sponsoring a population and development conference for the Arab region in Amman in March 1985. Follow-up actions included publishing the conference proceedings and establishing a fund for use by the National Population Commission in promoting population policies. A.I.D. works with centrally funded PVOs that serve as intermediaries in such areas as education, demography, medical training, family planning, and in particular, child spacing. In 1985, A.I.D. began implementation of a staff training and clinic expansion program with the private Jordan Family Planning Association (JFPPA) to be conducted by the Margaret Sanger Center. A.I.D. continues to sponsor population research that demonstrates the need for greater GOJ action; for example, an innovative, ongoing project is the Male Fertility Survey, a joint effort by C.D.C. and Jordan's Department of Statistics, which attempts to identify attitudes and beliefs of men regarding fertility questions.

Health: In FY 1986, A.I.D. plans to provide a grant for a Nursing Training project to improve existing nursing colleges and to help establish a new nurses' training school. This project will assist Jordan in meeting its critical need for more and better trained nurses and midwives.

To combat a fundamental cause of child mortality, morbidity and diarrheal disease, A.I.D. has promoted oral rehydration therapy (ORT) through mass media campaigns and through assistance to a private pharmaceutical production firm.

A.I.D. also plans to provide centrally funded resources for other child survival activities, such as assistance to the Maternal and Child Department of the Ministry of Health in upgrading its staff in growth monitoring, immunization, child spacing and breast feeding as well as ORT.

Industry: A.I.D. plans to provide a grant for an Industrial Development project (278-0265) which will assist the GOJ to institutionalize a process for providing industrial promotion and information services needed to accelerate growth in small and medium-scale enterprises. A.I.D. grant funds will finance technical assistance to help the GOJ increase productivity, promote product quality and increase investment and export support mechanisms. U.S. consultants will work with the Ministry of Planning, the Ministry of Supply, Industry and Trade, the Industrial Development Bank, and other appropriate public and private entities. The grant will also finance training for Jordanians, particularly in industrial science and technology.

Housing Guaranty: A.I.D. initiated a housing investment guaranty (HIG) program ($25 million) in FY 1985 to provide the GOJ with additional resources for the construction of up to 1,500 low-cost housing units in urban areas. A.I.D. guaranteed funding complements the World Bank's major support for sites and services projects in Amman. A I.D.'s HIG program is being implemented through the Jordan Housing Bank, a well-established financial institution. The HIG will help expand the Housing Bank's capacity to finance housing for low and medium income Jordanians and should stimulate adoption of better building standards.

Other: A.I.D. provided an additional grant of $3 million in FY 1985 for the Technical Services and Feasibility Studies (TSFS) IV project (278-0260) to provide resources to the GOJ for the identification, development, and appraisal of priority development projects. A grant is planned in FY 1986 for the Technical Services and Feasibility Studies V (TSFSV) project (278-0266). These projects and their predecessors have been important vehicles for addressing development problems in a number of sectors. Through them, A.I.D. has assisted the GOJ with such activities as improving the Ministry of Public Works' road maintenance program; determining the feasibility of expanded range and water resources development and management in desert areas; developing an Arabic literacy series with the Children's Television Workshop; assessing issues in urban development and designing a low-cost housing finance project; conducting an in-country seminar on international contracting and procurement for government employees; and upgrading instruction and curriculum at the Irbid nursing school. TSFS projects have also benefitted Jordan's private sector through the funding of industrial and tourism development studies and assistance to the Royal Scientific Society for conducting energy conservation studies. Future possible TSFS activities include providing assistance to Amman's Urban Development Department in slum upgrading and assisting in a study of flood control measures in the Aqaba Basin. A.I.D. plans an evaluation of some of the larger TSFS activities in FY 1986.

Requested Year Program: FY 1987

Water: In further support of the GOJ's priority of identifying and exploiting water resources, A.I.D. plans to provide grant funds for a Water Resources project (278-0268). The project builds on A.I.D.'s Groundwater Resources project (278-0243) which concentrated on north Jordan. This project would continue assistance to the Water Authority of Jordan (WAJ) in systematically locating, assessing and monitoring ground and surface water resources throughout Jordan. A.I.D. funds will finance U.S. consultant services to assist WAJ in defining aquifers and analyzing hydrologic characteristics of ground and surface water systems. Technology transfer and institution building will be stressed through on-the-job training and specialized academic training for WAJ employees. A portion of the project will be a research and development activity, transferring state-of-the-art water recharge technology from the U.S., and the development of relevant technologies for the recharge of groundwater from surface sources. The use of small dams and flood-retarding structures in valleys, recharge wells, and excavations in seasonally flooded areas are among the techniques to be considered.

Agricultural and Rural Development: A.I.D. plans to provide a second tranche of grant and loan funds for the Highland Agriculture Development project (278-0264) in FY 1987. This project will continue to support Jordan's development goal of stimulating more geographically balanced growth in the Kingdom and to expand agricultural efforts to rationalize, modernize and increase production in Jordan's extensive highland agricultural areas. Also, in FY 1987, A.I.D. plans to provide a grant and a loan for the Town and Village Enterprise Development project (278-0255). This effort would stimulate greater income earning opportunities and services improvements in small towns and villages through the decentralization of some of the planning functions to regional planning centers in each of Jordan's seven governorates. These new planning units are expected to formulate and implement regional and sub-regional development plans that would stimulate the creation of new jobs and additional opportunities for income and revenue generation at the local level and increase public participation in the development process. Grant funds will help finance technical assistance and training for the Ministry of Planning's regional planning department and the loan funding will be used to stimulate small businesses by offering entrepreneurs or private firms an incentive to establish small businesses in a given sub-region.

JORDAN

Education: In FY 1987, A.I.D. proposes a grant for the Development Administration Training (DAT) IV project (278-0267). Over the life of this grant project, it will provide funds for training in skill areas assigned priority in the GOJ's new five-year development plan. An approximately equal mix of person-months of long-term and short-term practical programs is planned. Graduate level training will provide exposure of key and promising Jordanians to U.S. educational systems and technology. Short-term practical programs will assist Jordanians in confronting the increasingly complex technological and social challenges of their society.

Other: A.I.D. plans to provide a final grant for the Technical Services and Feasibility Studies V project (278-0266) to provide additional resources to the GOJ for the identification, development, and appraisal of priority development projects.

Supplemental: In addition to ESF funds requested for FY 1987, the following additional activities will be funded from the 1985 supplemental appropriation.

Commodity Import Program: In FY 1987, A.I.D. will obligate the third and final tranche ($90 million) for the CIP program that began in FY 1985.

Transportation: A.I.D. will use the final tranche of project assistance funds provided under the supplemental aid package for Jordan for the Amman-Na'ur-Dead Sea Road Project (278-0275). The objective is to upgrade the major arterial link between Amman, Na'ur and the central Jordan valley, thus reducing travel time, improving transport efficiency, and raising safety standards on this vital east-west link, thereby promoting more rapid regional development and potential commerce with the West Bank.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JORDAN

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
COMMODITY IMPORT PROGRAM	G	278-K643	85	87	160,000	160,000	50,000	---	50,000	25,000	---	---
AQABA SEWERAGE	L	278-0206	79	79	7,500	7,500	7,500	5,923	---	1,577	---	---
HEALTH MGMT AND SERVICES DEVELOPMENT	G	278-0203	77	83	2,875	2,875	2,875	2,700	---	175	---	---
IRBID WATER AND SEWERAGE	G	278-0233	80	80	2,500	2,500	2,500	1,161	---	1,339	---	---
IRBID WATER AND SEWERAGE	L	278-0233	80	80	21,000	21,000	21,000	7,474	---	12,400	---	1,126
ZARQA RUSEIFA WATER AND WASTEWATER	G	278-0234	82	83	5,000	5,000	5,000	1,384	---	2,000	---	1,616
ZARQA RUSEIFA WATER AND WASTEWATER	L	278-0234	82	83	10,000	10,000	10,000	---	---	10,000	---	---
JORDAN VALLEY AGRICULTURAL SERVICES	G	278-0241	81	81	5,620	5,620	5,620	3,226	---	2,394	---	---
GROUNDWATER RESOURCES INVESTIGATION	G	278-0243	80	81	5,000	5,000	5,000	4,280	---	720	---	---
HEALTH EDUCATION	G	278-0245	80	80	980	980	980	355	---	625	---	---
INCOME TAX ASSISTANCE	G	278-0247	81	84	2,000	2,000	2,000	1,207	---	793	---	---
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	* G	278-0255	87	87	---	1,000	---	---	---	---	1,000	---
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	* L	278-0255	87	87	---	2,000	---	---	---	---	2,000	---
DEVELOPMENT ADMINISTRATION TRAINING III	G	278-0257	83	84	3,000	3,000	3,000	1,377	---	1,623	---	---
TECH SERVICE AND FEASIBILITY STUDIES III	G	278-0258	82	82	5,000	5,000	5,000	3,866	---	1,134	---	---
WATER SYSTEMS AND SERVICES MANAGEMENT	G	278-0259	83	84	4,000	4,000	4,000	1,515	---	800	---	1,685
WATER SYSTEMS AND SERVICES MANAGEMENT	L	278-0259	83	84	17,000	17,000	17,000	894	---	9,000	---	7,106

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JORDAN

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TECH SERVC AND FEASIBILITY STUDIES IV		G	278-0260	84	85	7,000	7,000	7,000	734	---	3,300	---	3,200
MANAGEMENT DEVELOPMENT		G	278-0261	84	84	5,000	5,000	5,000	---	---	1,000	---	1,300
HIGHLAND AGRICULTURAL DEVELOPMENT		G	278-0264	85	87	12,000	18,500	12,000	---	---	2,500	2,000	5,000
HIGHLAND AGRICULTURAL DEVELOPMENT		L	278-0264	85	87	5,000	9,000	5,000	---	---	1,000	2,000	3,000
INDUSTRIAL DEVELOPMENT		G	278-0265	86	87	---	8 500	---	---	2,000	---	3,000	2,000
TECH SERVICES-FEASIBILITY STUDIES V		G	278-0266	86	87	---	7,000	---	---	4,570	---	2,000	800
DEVELOPMENT ADMIN TRAINING IV		G	278-0267	86	87	---	4,500	---	---	1,000	---	2,000	1,000
WATER RESOURCES	*	G	278-0269	87	87	---	4,000	---	---	---	---	4,000	---
NURSING TRAINING		G	278-0270	86	86	---	4,500	---	---	2,000	---	---	1,000
IRBID WATER AND WASTEWATER II		G	278-0271	86	86	---	30,000	---	---	30,000	---	---	3,000
SCHOOL CONSTRUCTION III		G	278-0276	85	85	30,000	30,000	30,000	---	---	6,500	---	15,000
TOTAL FOR ACCOUNT						310,475	382,475	200,475	36,116	89,570	83,580	18,000	47,033
GRANTS						249,975	315,975	139,975	21,825	89,570	49,603	14,000	35,801
LOANS						60,500	66,500	60,500	14,291	---	33,977	4,000	11,232
TOTAL FOR COUNTRY						310,475	382,475	200,475	36,116	89,570	83,580	18,000	47,033
GRANTS						249,975	315,975	139,975	21,825	89,570	49,603	14,000	35,801
LOANS						60,500	66,500	60,500	14,291	---	33,977	4,000	11,232

[*] Refer to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Town and Village Enterprise Development	Funding Source ES	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY1987 $1,000 (G) $2,000 (L) Life of Project Funding $3,000
Number 278-0255 ☒ GRANT ☒ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 87 Estimated Completion Date of Project FY 90

Purpose: To encourage increased locally planned and initiated employment, income and revenue generation opportunities in Jordan's small towns and villages.

Background: Under its Technical Services and Feasibility Studies III Project, A.I.D. financed technical assistance to the GOJ Ministry of Planning (MOP) to assist in formulating a regional planning approach for incorporation in the national 1986-90 five-year economic and social development plan. A principal outcome of this assistance was a survey of all towns and villages in Jordan in order to develop an infrastructure data base for regional planning; identify planning regions, sub-regions and village clusters; and assess perceptions of local priorities. By focusing on regional planning and maximizing local participation in the planning effort, the Government of Jordan hopes to more effectively channel limited public resources and encourage the flow of private sector resources into employment, revenue and income-generating activities in less developed areas of the country.

Project Description: This project will assist the GOJ in furthering the institutionalization of regional planning and decentralization efforts begun during five-year plan preparation. Project grant funds, for technical assistance and training will be utilized to assist the Ministry of Planning's regional, sub-regional and village cluster development councils in identifying, analyzing and monitoring projects which attract and capture local human and financial resources and provide local employment. Grant funds may be used to provide technical assistance and training to regional and sub-regional councils in project identification and analysis or for feasibility studies of projects which promote increased income and employment. Town and Village Enterprise Development loan funds, channeled through existing banking institutions, would be used to contribute seed money for pilot enterprises identified by the development councils in the planning dialogue. Pilot projects eligible for A.I.D. loan funding may include those which provide increased revenues for local governments while expanding private sector investment.

Relationship of Project to A.I.D. Country Strategy: In helping develop a Jordanian capacity to carry out regional development and decentralization by stimulating and assisting local initiative, this project supports A.I.D.'s strategy of developing long-term institutional capabilities.

Beneficiaries: Primary beneficiaries will include MOP regional planners, regional and sub-regional development councils and inhabitants of the sub-regions where A.I.D.-financed activities will take place.

Host Country and Other Donors: As this is a pilot effort, it is not anticipated that other donors will participate in the proposed project, although the project will be complementary to the World Bank's assistance to the Cities and Villages Development Bank. The GOJ's contribution will be approximately $1 million (equivalent).

Major Outputs: Updating regional socio-economic data and identifying, analyzing and monitoring projects.

A.I.D.-Financed Inputs	Life of Project ($000)
Technical Assistance to the Government of Jordan Ministry of Planning	1,000 (G) 2,000 (L)

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year			▨	
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	3,000		1,000 (G)2,000(L)	

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Water Resources Project	Funding Source ES	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY1987 $4,000		Life of Project Funding $4,000
Number 278-0269 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY 91

Purpose: To assist the Water Authority of Jordan (WAJ) to systematically locate, assess and monitor Jordan's ground and surface water resources.

Background: An ever-increasing demand for water continues to constrain Jordan's social and economic development. Known tapped and untapped water sources are inadequate, and their quality is endangered. Further, most of the surface water from storms is lost to evaporation and uncontrolled run-off. The need and opportunity for improved water management is clear. WAJ needs to (1) better define the location, extent and physical characteristics of Jordan's aquifers, and the source and chemical composition of known pollutants; (2) identify other potential threats to ground and surface water supplies; and (3) examine ways to conserve and re-use currently accessible sources of water.

Project Description: The Government of Jordan has requested A.I.D. financial assistance to effect technology transfer through training, technical assistance and commodity support. Specifically, WAJ has asked for A.I.D. to

1. Provide those technologies and management skills needed to continue and expand the programs initiated under the groundwater resources investigation project (276-0243) to other geographic areas throughout Jordan;
2. Assist its staff in systematically locating, assessing and monitoring the availability of Jordan's ground and surface water resources;
3. Provide technical training to the WAJ staff;
4. Conduct research and development;
5. Develop technological applications to recharge groundwater from surface water resources (e.g., use small dams and flood-retarding structures in villages, recharge wells and excavations in seasonally flooded areas).

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s overall water sector assistance strategy in Jordan is

1. Assisting WAJ in upgrading its institutional capacity to manage water resources;
2. Improving and augmenting existing data sources through research and data collection; and
3. Providing technical assistance and training to further develop Jordanian human resources.

A policy dialogue with the GOJ on water use issues will also be pursued. A.I.D. will assist the GOJ in developing a systematic plan for allocating its scarce water resources to assure a safe, adequate and affordable water supply to the people of Jordan.

Beneficiaries: Primary beneficiaries of the project will be the people of Jordan. The secondary beneficiaries will be the technical and middle management staff members of the Water Resources Directorate of the WAJ, whose skills and techniques will be enhanced.

Host Country and Other Donors: There are no other donors directly supporting this project. Over the life of this project, it is estimated that the GOJ contribution will exceed $4 million.

Major Outputs: Transfer of technologies and management skills; location; assessing and monitoring; ground and surface water; technical training; research and development; development of technical applications to recharge groundwater.

A.I.D. Financed Inputs	Life of Project ($000)
Grants to the WAJ to Fianance Technical Assistance and Training	4,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			▨
Estimated Fiscal Year			
Estimated Through September 30,		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	4,000		$4,000

Principal Contractors or Agencies

LEBANON

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COUNTRY:  (268) LEBANON                          FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      2,619

PER CAPITA GNP.......... (DOLLARS,    .)              .

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (    .- .)    . %

ANNUAL RATE OF INFLATION (    .- .)    . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970)   4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 65.9  MALE 64.0  FEMALE 67.9
                        (1970)   TOTAL 64.0  MALE 62.1  FEMALE 65.9

ADULT LITERACY RATE  (1970)   TOTAL  68%  MALE   79%  FEMALE  58%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (1975-1984)   2.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1974)     9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       851


MAJOR CROP(S)                                        ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,PULSES ,BARLEY                        9%   (1984)
  CASH: CITRUS FRUIT ,APPLES ,TOBACCO                      11%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,APPLES ,VEGETABLES

MAJOR AGRICULTURAL IMPORTS:(1984) GRAINS ,MEATS ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1975)    17% .
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (    .)              . ( .)              . ( .)             .
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (    .)              . ( .)              . ( .)             .
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (    .)              . ( .)              . ( .)             .
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)   . % (  )   . % ( .)    . %
  AS % OF GNP................. (    .)   . % (  )     % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982) 2,998 (83) 2,292 (84) 1,061
  EQUIVALENT TO    .  MONTHS OF IMPORTS (    .)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)                              .         .

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   18  (1983)   16  (1984)    7
   AS % OF TOTAL EXPORTS (    .)    .% (    .)    .% (    .)   .%

MAJOR IMPORTS(1983)                              .         .

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  323  (1983)  533  (1984)  314
   AS % OF TOTAL IMPORTS (    .)    .% (    .)    .% (    .)   .%

TRADE BALANCE($ MILLIONS, U.S.)(    .)      .( .)      .( .)

TRADING PARTNERS: SAUDI ARABIA ,ITALY ,FRANCE          .

EXTERNAL PUBLIC DEBT AS % OF GNP (1973)     3.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    50
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    .)    . %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.7% (1978)  -0.6% (1985)  2.1%

POPULATION IN URBAN AREAS............(1970)    59%   (1985)   80% .

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)    30

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1971)  53.0%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 37.3% (15-64YRS) 57.6% (65+ YRS)  5.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  42

PEOPLE PER PHYSICIAN................ (1979)    536

MAJOR CAUSES OF
DISEASE (1975) DIABETES          ,TUBERCULOSIS    ,UNKNOWN AILMENTS
DEATH.. (1975) CANCER            ,CIRCULATORY     ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   106%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)  94%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  93.9   MALE  98.9    FEMALE  87.7
SECONDARY....... (1980)  TOTAL  69.7   MALE   136    FEMALE   0.7
POST SECONDARY.. (1981)  TOTAL  22.4   MALE  29.3    FEMALE  16.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      3.5%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY LEBANON

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	0.5	4.0	11.2	52.2	28.4	279.5	25.3	254.2
Loans	-	-	-	-	-	33.0	25.3	7.7
Grants	0.5	4.0	11.2	52.2	28.4	246.5	-	246.5
a. A.I.D. and Predecessor Agencies	0.5	4.0	9.0	52.2	28.1	190.9	6.4	184.5
Loans	-	-	-	-	-	4.9	6.4	1.5-
Grants	0.5	4.0	9.0	52.2	28.1	186.0	-	186.0
(Economic Support Fund)	0.5	4.0	6.0	9.5	27.8	65.2		
b. Food for Peace (PL 480)	-	-	2.2	-	0.3	86.9	17.2	69.7
Loans	-	-	-	-	-	26.5	17.2	9.3
Grants	-	-	2.2	-	0.3	60.4	-	60.4
Title I – Total Sales Agreements	-	-	-	-	-	26.5	17.2	9.3
Repayable in U.S. Dollars – Loans	-	-	-	-	-	26.5	17.2	9.3
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	-	-	2.2	-	0.3	60.4	-	60.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	1.8	-	0.3	49.0	-	49.0
Voluntary Relief Agencies	-	-	0.4	-	-	11.4	-	11.4
c. Other Economic Assistance	-	-	-	-	-	1.7	1.7	*
Loans	-	-	-	-	-	1.6	1.7	0.1-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE – TOTAL	22.4	20.3	10.6	101.7	15.6	263.8	109.4	154.4
Credits or Loans	22.0	20.0	10.0	100.0	15.0	243.7	109.4	134.3
Grants	0.4	0.3	0.6	1.7	0.6	20.1	-	20.1
a. MAP Grants	-	-	-	-	-	13.6	-	13.6
b. Credit Financing – FMS	22.0	20.0	10.0	100.0	15.0	243.7	109.4	134.3
c. Military Assistance Service Funded (MASF) Grants	0.4	0.3	0.6	1.7	0.6	6.2	-	6.2
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	22.9	24.3	21.8	153.9	44.0	543.3	134.7	408.6
Loans	22.0	20.0	10.0	100.0	15.0	276.7	134.7	142.0
Grants	0.9	4.3	11.8	53.9	29.0	266.6	-	266.6
Other U.S. Government Loans and Grants	-	-	-	-	-	83.2	99.6	16.4-
a. Export-Import Bank Loans	-	-	-	-	-	71.4	86.4	15.0-
b. All Other Loans	-	-	-	-	-	11.8	13.2	1.4-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	0.6	6.5	0.0	259.9
IBRD	0.0	0.0	0.0	166.6
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.6	1.5	0.0	36.0
OTHER-UN	0.0	0.0	0.0	8.0
EEC	0.0	5.0	0.0	40.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	14.0	28.0	80.0
France	7.2	17.7	56.8
Austria	0.6	3.0	32.6
Germany, Fed. Rep.	6.1	3.5	22.1
Italy	6.6	8.7	18.6
Other	31.9	18.5	68.4
Total	66.4	79.4	278.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
112.5	N.A.	878.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	10
Total			10

LEBANON

ECONOMIC SUPPORT FUND PROGRAM SUMMARY

(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	5.0[1]	1.442[3]	2.0
Loans	13.775[2]	20.5[4]	-
Totals	18.775[5]	21.942	2.0

[1] FY 1985 Appropriation.

[2] FY 1983 Supplemental Appropriation. This amount does not include $1,107,000 in obligations of International Disaster Relief funds.

[3] FY 1986 Appropriation.

[4] FY 1983 Supplemental Appropriation.

[5] Excludes $1.427 million Disaster Relief.

Development Overview

Sectarian fighting continued in Lebanon during 1985. East and West Beirut have experienced shelling, sniper fire, and bombing, in particular in the southern suburbs and the Chouf, and attempts to open the Green Line permanently have been in vain. Fighting has been intense at various times during the year in Beirut, in the south around Sidon and Jezzine and in the north around Tripoli. Two positive notes are that Israel completed the phased withdrawal of its troops from the south in June, and there are early signs of a framework for shared power emerging from meetings among sectarian and government leaders under Syrian auspices.

The Lebanese economy has continued to suffer, and the government has continued to function at only a minimal level. The pound fell to a low of 22 to the dollar from 4 in early 1984, though it has stabilized in recent months at about 18 to the dollar. Although the government has continued to use reserves to help support the pound, few of its policies have been able to redress the fall of the pound or the still negative balance of trade. Few donors, other than the United States and the U.N., have been willing to provide assistance to Lebanon.

The consequence of these events has been a growing number of displaced families, injured people, and destroyed or damaged homes and businesses. West Beirut, the southern suburbs, the Chouf, Tripoli, Sidon, and Jezzine continue to be the most affected areas, with the number of displaced Christian families in the latter two areas and Muslim families around Tripoli increasing greatly during the past year. Radical elements of the population continue to have influence, especially among the dispossessed and disaffected. The ten years of strife have left the younger generation of Lebanese, especially those with no hope of studying abroad, without the academic or vocational education that will permit them to find work in either the present or peace-time economy, thus leaving them open to the suasion of radical groups.

U.S. Interests and Objectives

The United States' major objective in Lebanon continues to be to help restore stability to Lebanon through a strengthened and unified national government and through a reconciliation of all sectarian groups within Lebanese society. The United States' interests are economic, humanitarian,

LEBANON

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans			
Grants	32,479	12,007	7,450
Total AID	32,479	12,007	7,450
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	32,479	12,007	7,450

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II [1/]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1/] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

and political. On economic grounds the United States is committed to assisting the government of Lebanon as a strong, free government committed to private sector enterprise and as a center of economic leadership in the region. On humanitarian grounds the United States wishes to help alleviate the suffering of the many people who have sustained physical injuries and who need medical care and shelter and those who have had to flee their homes in the face of fighting. The U.S. also wishes to help people whose homes and businesses have been damaged or destroyed in the fighting. On political grounds the United States is seeking internal stability in Lebanon by helping to alleviate those economic problems that may foster instability. Finally, the United States seeks stable relations between a strengthened Government of Lebanon and its neighbors in the region as part of a comprehensive peace.

Assistahce Strategy

The U.S. assistance program is necessarily constrained by the security situation which prevents U.S. staff from traveling freely within Lebanon and meeting regularly with counterpart officials. Private voluntary organizations (PVOs) are able to function effectively in the present circumstances and now implement the greatest part of the assistance programs in Lebanon..

The strategy of the U.S. assistance program for Lebanon gives first priority to providing relief assistance to victims of the fighting and to rehabilitation programs. Relief assistance is intended to meet emergency needs for food, shelter, medicine, and medical services for the injured and displaced. Rehabilitation programs allow victims of the fighting to begin rebuilding their lives, physically and economically. At present U.S. assistance supports PVO programs for services for the handicapped, small credit for entrepreneurs through a private sector banking system, and vocational training for young people who need skills to find employment.

A.I.D. Program (FY 1985-1986)

As of the end of FY 1985, $50.5 million has been obligated from the 1983 supplementation appropriation of $150 million for Lebanon. In 1985 $13.775 million from this FY 1983 appropriation was obligated for assistance in the areas of emergency relief, rehabilitation and reconstruction, and support to U.S. educational institutions. For emergency relief $2.2 million was obligated in grants to Catholic Relief Services and Save the Children Federation. For rehabilitation and reconstruction, $5.5 million was obligated in grants to UNICEF and YMCA of Lebanon among others. For support to U.S. educational institutions, $6.075 million was obligated in grants to the American University of Beirut, Beirut University College, and International College.

LEBANON

In FY 1986 funding remaining available from the 1983 Supplemental Appropriation will be obligated in grants to World Rehabilitation Fund, YMCA of Lebanon, Catholic Relief Services, and Save the Children for work in emergency relief and rehabilitation, and to the American University of Beirut.

Requested Year Program (FY 1987)

The U.S. assistance program remains largely dependent on PVOs for its implementation because the security situation in Lebanon prevents U.S. staff from traveling in safety to project sites and meet with counterparts. The program proposed for FY 1987 provides continuing funding for PVO programs in relief and rehabilitation obligated under Project 268-0342, Lebanon Relief Assistance. This project will continue to provide grants to selected PVOs for relief work for Lebanese people injured or displaced in the fighting. This assistance is usually food, shelter, and supplies such as mattresses and blankets for families who have fled their homes as a result of the fighting, as well as medical supplies and services to the sick and injured. Programs are usually directed to areas where the most recent outbreaks of fighting have occurred and as a matter of policy are made available to all those in need regardless of sectarian affiliation.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LEBANON

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
INTERNATIONAL DISASTER ASSISTANCE												
DISASTER ASSISTANCE ADMIN BY STATE	G	268-DRST	83	C	---	---	3,319	3,307	---	---	---	---
TECHNICAL SUPPORT	G	268-0000	83	83	5,000	5,000	5,000	2,506	---	---	---	---
SMALL VALUE PROCUREMENT	G	268-0326	83	85	377	377	377	275	---	102	---	---
BEIRUT UNIVERSITY COLLEGE	G	268-0328	83	83	1,500	1,500	1,500	---	---	---	---	---
POTABLE WATER AND ENVIRON SANITATION	G	268-0330	83	84	2,800	2,750	2,750	2,432	---	---	---	318
LEBANON RELIEF/SCF	G	268-0344	85	85	364	364	364	---	---	364	---	---
LEBANON RELIEF ASSISTANCE/YMCA	G	268-0345	85	85	743	743	743	---	---	743	---	---
TOTAL FOR ACCOUNT					10,784	10,734	14,053	8,520	---	1,209	---	318
GRANTS					10,784	10,734	14,053	8,520	---	1,209	---	318
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
INTERNATIONAL COLLEGE	G	268-0222	84	85	555	1,155	425	277	---	278	---	---
HEALTH SECTOR REHABILITATION	G	268-0305	78	84	4,900	6,900	4,900	3,428	1,000	1,472	---	1,000
RECONSTRUCTION AND REHABILITATION-CRS	G	268-0313	79	84	11,824	7,824	6,824	3,824	---	1,500	---	1,500
VOCATIONAL TRAINING IN BLDG TRADES/YMCA	G	268-0318	81	85	3,090	3,865	3,465	2,740	---	500	---	150
SMALL VALUE PROCUREMENT	G	268-0326	83	86	---	300	100	---	250	100	---	100
RELIEF & REHAB PLANNING	G	268-0327	83	86	---	500	---	---	250	150	---	200
TELECOMMUNICATIONS REHABILITATION	G	268-0329	83	84	4,481	4,481	4,481	4,481	---	---	---	---
POTABLE WATER AND ENVIRON SANITATION	G	268-0330	83	84	4,930	4,930	4,930	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LEBANON

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC AND DEV PLANNING ASSIST TO CDR		G	268-0341	93	83	2,250	2,250	2,250	301	---	---	---	---
LEBANON RELIEF ASSISTANCE		G	268-0342	84	87	10,000	29,000	9,672	7,428	15,442	1,000	2,000	3,500
EMERGENCY WATER REPAIR		G	268-0343	.95	35	4,000	4,000	4,000	---	---	1,000	---	1,000
BEIRUT UNIVERSITY COLLEGE		G	268-1303	84	85	650	1,827	650	---	---	1,077	---	---
AMERICAN UNIVERSITY OF BEIRUT		G	268-1336	95	86	10,000	15,000	10,000	10,000	5,000	5,000	---	---
TOTAL FOR ACCOUNT						56,680	82,032	51,697	32,479	21,942	12,077	2,000	7,450
GRANTS						56,680	82,032	51,697	32,479	21,942	12,077	2,000	7,450
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						67,464	92,766	65,750	40,999	21,942	13,286	2,000	7,768
GRANTS						67,464	92,766	65,750	40,999	21,942	13,285	2,000	7,768
LOANS						---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

MOROCCO

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COUNTRY:  (608) MOROCCO

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     23,117

PER CAPITA GNP.......... (DOLLARS,1983)        760

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.9%

ANNUAL RATE OF INFLATION (1973-83)  8.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970)   4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 53.1  MALE 51.6  FEMALE 54.7
                     (1970)   TOTAL 50.6  MALE 49.3  FEMALE 52.1

ADULT LITERACY RATE  (1971)   TOTAL  21%  MALE  34%  FEMALE  10%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)  -1.6%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    17%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       97


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,BARLEY ..                         49%   (1984)
  CASH: WHEAT ,ORANGES ,SUGAR BEETS                     33%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) ORANGES ,TOMATOES ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1984) CITRUS FRUIT ,VEGETABLES ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    52%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1978)      3,859 (79)      4,054 (80)      4,454
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1978)      6,363 (79)      5,603 (80)      6,282
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1978)     -2,504 (79)     -1,549 (80)     -1,828
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 20.0% (81) 19.7% (82) 24.9%
  AS % OF GNP................. (1980)  6.1% (81)  6.5% (82)  8.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (1982)   238 (83)   122 (84)    62
  EQUIVALENT TO  0.3 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PHOSPHATES     , PHOSPHORIC ACI, FRUITS & VEGET

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   26  (1983)   26  (1984)   32
   AS % OF TOTAL EXPORTS (1981)    1% (1982)    1% (1983)    1%

MAJOR IMPORTS(1983)PETROLEUM PRODS,FOODSTUFFS     ,CAPITAL GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  [illegible]  (1983)  359  (1984)  478
   AS % OF TOTAL IMPORTS (1981)    9% (1982)    7% (1983)  12%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,556(82) -1,772(83)-1,242

TRADING PARTNERS  FRANCE ,SPAIN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    95.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983) 1,120
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  54.4%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.5% (1978)   2.5% (1985)  2.4%

POPULATION IN URBAN AREAS............(1970)    35%   (1985)   44%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    48     (1985)     37

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1984)  25.4%

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 44.2% (15-64YRS) 52.8% (65+ YRS)  3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  93

PEOPLE PER PHYSICIAN................ (1980) 10,750

MAJOR CAUSES OF
DISEASE (1981) MEASLES          ,GONORRHEA        ,TRACHOMA
DEATH.. (1971) GASTROINTESTINAL,ACUTE RESP. INFE,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1981)   115%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976)  55%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  69.4   MALE  85.0    FEMALE  53.3
SECONDARY ...... (1981)  TOTAL  31.3   MALE  35.4    FEMALE  22.1
POST SECONDARY.. (1977)  TOTAL   3.3   MALE   5.1    FEMALE   1.4

ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      15.3%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY MOROCCO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. **ECONOMIC ASSISTANCE – TOTAL**	27.1	55.5	62.9	53.9	83.7	1276.7	425.8	850.9
Loans	5.8	25.0	35.0	27.5	45.0	668.0	425.8	242.2
Grants	21.3	30.8	27.9	26.4	38.7	608.7	-	608.7
a. **A.I.D. and Predecessor Agencies**	9.1	12.1	11.7	11.2	26.4	461.3	291.4	169.9
Loans	-	-	-	-	-	341.5	291.4	50.1
Grants	9.1	12.1	11.7	11.2	26.4	119.8	-	119.8
(Economic Support Fund)	-	-	-	-	7.0	78.1		
b. **Food for Peace (PL 480)**	15.7	41.2	48.4	40.2	54.8	781.7	134.4	647.3
Loans	5.8	25.0	35.0	27.5	45.0	326.5	134.4	192.1
Grants	9.9	16.2	13.4	12.7	9.8	455.2	-	455.2
Title I – Total Sales Agreements	5.8	25.0	35.0	27.5	45.0	326.5	134.4	192.1
Repayable in U.S. Dollars – Loans	5.8	25.0	35.0	27.5	45.0	275.3	87.8	187.5
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	51.2	46.6	4.6
Title II – Total Grants	9.9	16.2	13.4	12.7	9.8	455.2	-	455.2
Emerg. Relief, Econ. Develop. & World Food Program	-	1.6	2.7	4.0	0.2	193.8	-	193.8
Voluntary Relief Agencies	9.9	14.8	10.7	8.7	9.6	261.4	-	261.4
c. **Other Economic Assistance**	2.3	2.5	2.5	2.5	2.5	33.7	-	33.7
Loans	-	-	-	-	-	-	-	-
Grants	2.3	2.5	2.5	2.5	2.5	33.7	-	33.7
Peace Corps	2.3	2.5	2.5	2.5	2.5	33.7	-	33.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	25.9	34.4	31.1	101.3	70.4	553.5	305.9	247.6
Credits or Loans	25.0	33.4	30.0	75.0	38.8	436.6	305.9	130.7
Grants	0.9	1.0	1.1	26.3	31.6	116.9	-	116.9
a. MAP Grants	-	-	-	25.0	30.0	84.6	-	84.6
b. Credit Financing – FMS	25.0	33.4	30.0	75.0	38.8	436.6	305.9	130.7
c. Military Assistance Service Funded (MASF) Grants	0.9	1.0	1.1	1.3	1.6	20.4	-	20.4
d. Transfers from Excess Stocks	-	-	-	-	-	11.9	-	11.9
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	53.0	90.2	94.0	155.2	154.1	1830.2	731.7	1098.5
Loans	30.8	58.4	65.0	102.5	83.8	1104.6	731.7	372.9
Grants	22.2	31.8	29.0	52.7	70.3	725.6	-	725.6
Other U.S. Government Loans and Grants	10.5	22.3	16.5	-	5.4	229.4	235.4	6.0-
a. Export-Import Bank Loans	10.5	22.3	16.5	-	5.4	140.0	131.7	8.3
b. All Other Loans	-	-	-	-	-	89.4	103.7	14.3-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	351.0	312.9	350.3	3213.6
IBRD	108.2	265.8	207.6	2704.0
IFC	40.0	0.0	44.6	146.6
IDA	0.0	0.0	0.0	50.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	10.7	44.1	81.6
UNDP	2.8	0.4	0.0	63.4
OTHER-UN	0.0	0.0	0.0	22.0
EEC	0.0	36.0	54.0	146.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	60.0	47.0	233.0
France	92.6	116.2	702.9
Germany,Fed. Rep.	48.0	25.8	216.8
Belgium	9.0	9.1	77.5
Japan	17.2	11.3	36.7
Other	19.2	9.5	78.6
Total	246.0	218.9	1,345.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
226.4	N.A.	1,435.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	2,100
Eastern Europe	-	-	215
Total	-	-	2,315

MOROCCO

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other*
1985								
Loans	13,500	–	–	–	–	–	13,500	
Grants	21,045	9,975	3,850	500	1,800	3,420	1,500	
Total	34,545	9,975	3,850	500	1,800	3,420	15,000	
1986								
Loans	8,000	–	–	–	–	–	8,000	–
Grants	23,484	10,400	3,200	–	1,900	2,500	3,484	2,000
Total	31,484	10,400	3,200	–	1,900	2,500	11,484	2,000
1987								
Loans	18,000	–	–	–	–	–	18,000	
Grants	20,000	9,500	4,000	–	1,500	3,000	2,000	
Total	38,000	9,500	4,000	–	1,500	3,000	20,000	

*Child Survival Funds

FY 1987
PROGRAM HIGHLIGHTS

- $40 million in PL 480 Title I to help meet grain import needs and provide local currency financing of development projects.
- $20 million in ESF to provide additional financing ($9 million) for a private sector development/export promotion project, initiated in FY 1986, and to provide the first tranche of financing ($10 million) for a major new initiative in support of agricultural inputs.
- $18 million in DA to finance ongoing projects in Agriculture, Population, Energy, and Human Resources Development.
- $4.2 million in PL 480, Title II to assist in meeting basic nutritional needs of children of impoverished families.

MOROCCO

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	13,582	8,000	18,000
Grants	16,558	25,763	25,160
Total AID	30,140	33,763	43,160
P.L. 480 **			
Title I	55,000	40,000	40,000
(of which Title III is)	(--)	(--)	(--)
Title II	8,794	5,564	4,163
Total P.L. 480	63,794	45,564	44,163
Total AID and P.L. 480	93,934	79,327	87,323

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	400,000	50,000	292,000	40,000	310,000	40,000
Rice	20,000	5,000				
Feedgrains						
Vegoil						
Non food						
Title I Total *(of which Title III is)*	420,000	55,000	292,000	40,000	310,000	40,000
Title II 1/						
Voluntary Agencies	31,364	8,794	26,443	5,564	17,748	4,163
Government - to - Government						
Title II Total	31,364	8,794	26,443	5,564	17,748	4,163
Total P.L. 480	451,364	63,794	328,443	45,564	327,748	44,163

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	19.9	24.0	24.0
PASA [b]	3.0	4.0	4.0
TOTAL	22.9	28.0	28.0

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	135	107	242	168	126	294	205	113	318
Regional[e]	2	7	9	2	5	7	1	10	11
TOTAL	137	114	251	170	131	301	206	123	329

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	19	20	–	20	20	–	15	15
Regional[e]	–	2	2	–	25	25	–	25	25
TOTAL	1	21	22	–	45	45	–	40	40

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

MOROCCO

Development Overview

Two key issues characterize Morocco's development situation: an external debt burden which now exceeds the country's annual GDP, and an economic structure weakened by past policies shaped by over-reliance on centralized direction and control. Lofty aspirations for growth and development, kindled largely by the short-lived phosphate boom of the mid-1970's, encouraged the Government of Morocco (GOM) to borrow heavily abroad to finance an aggressive investment program focusing on the public sector. But protectionist policies and pervasive administrative controls left the economy vulnerable to adverse conditions developing in the late 1970's and early 1980's, the worldwide recession and, more importantly, a lasting drought. Morocco's economic growth came to a virtual standstill. With the war in the Western Sahara siphoning off a portion of the country's total resources, the GOM had to reduce its development investment programs and to request a rescheduling of its debt in 1983. Since then, it has pursued an arduous path of economic stabilization and structural adjustment.

Morocco is striving to achieve the conditions for sustainable economic growth and a more equitable distribution of well-being through a comprehensive program of economic reform and liberalization. Confronted with a critical debt servicing problem and structural deficiencies in the economy, the GOM has embraced a policy of progressively dismantling administrative controls and the protectionist measures of its recent past. It has opted, instead, for an open, liberal economy which relies on markets to allocate resources. The GOM has made considerable progress in reducing tariffs, devaluing the Moroccan dirham, simplifying customs procedures, decontrolling prices and reducing consumer subsidies. At the same time, the Moroccan economy has struggled with the effects of drought, slack demand for its principal export (phosphates), and growing protectionism in its traditional export markets. In spite of these obstacles, export of manufactures have increased, budget deficits have been reduced, and the balance of payments situation has improved.

Because of its willingness to apply a program of fiscal austerity and economic adjustment under World Bank (IBRD) and International Monetary Fund (IMF) guidance, the GOM has received the assistance of major donors in response to its economic problems. In this regard, a World Bank led Consultative Group has been reestablished for Morocco, and the GOM has actively sought support from the Group. The GOM entered into a new Stand-By Arrangement with the IMF in September 1985 for approximately $213 million in Special Drawing Rights (SDR) through February 1987. At the same time, the IMF approved a Compensatory Financing Facility of approximately $122 million to compensate for fluctuations in the cost of cereal imports. In addition, the GOM further devalued the dirham and substantially reduced subsidies on three basic consumer goods: flour, sugar, and edible oils.

MOROCCO

Morocco's external debt situation remains difficult, with approximately $13 billion due its creditors. This is now equivalent to over 100% of its annual GDP, a relative debt burden which surpasses that of major debtors in Latin America. However, Morocco successfully rescheduled its official debt in September 1985 for the period through February 1987. Official creditors recognized the serious commitment of the GOM to its austerity and adjustment program in according Morocco favorable terms. The debt rescheduling and Stand-By Arrangement now in place will allow Morocco to pursue limited long-term development objectives at the same time as it restructures the economy. Continued external assistance is required to support the policy changes now underway and maintain development momentum in the face of *per capita* incomes which, on average, will not increase for the next several years. Once the new policies and structures are firmly in place, Morocco will be able to sustain economic growth, and more importantly, will have achieved the flexibility of an outward-oriented economy accustomed to competing in the world market.

U.S. Interests and Objectives

Morocco and the United States have enjoyed friendly relations for nearly two centuries. The Government of Morocco has frequently evidenced its support of U.S. policies, and has agreed to permit access and transit by U.S. forces at Moroccan bases in certain contingencies. The Government also provides facilities and support for what will be one of the free world's most powerful radio transmitters. It has effectively assumed a moderating leadership role in the Arab World in general, and in the Middle East peace process in particular. This role is not likely to change, despite Morocco's regional agreement with Libya.

Long-term U.S. interests in the economic and political viability of Morocco continue to be well served by an active foreign assistance program. The program manifests U.S. concern over the near-term difficulties facing the Moroccan economy as well as longer-term economic growth. Morocco has made measurable progress in achieving its short-term adjustment objectives, but high levels of U.S. program assistance in the context of continuing Consultative Group guidance will be an important factor in assuring the implementation of the Government's program of economic reform and adjustment. Development Assistance, Economic Support Funds and PL 480 resources during this difficult period will help provide the means to address the needs of the Moroccan poor.

A.I.D. Assistance Strategy

Morocco's economy is undergoing fundamental changes. The Government's stabilization and structural adjustment efforts combine into a far-reaching economic policy reform. Formal undertakings with the IMF and World Bank have led the GOM to emphasize such principles as market pricing to remove distortions, and increased private sector involvement in areas formerly reserved to state action, including the three key sectors of A.I.D.'s strategy -- agriculture, population and health, and energy development. There is urgency in the need to "privatize" and open competition occasioned by a severe contraction of budget resources for subsidies and state enterprises.

In this context, A.I.D. is modifiying its traditional assistance portfolio to include efforts toward market-oriented economic policies and export promotion. In addition to A.I.D. support of GOM policy reforms in specific sectors, an economic policy analysis project will assist the three principal GOM economic ministries to improve their capabilities in policy development, appraisal and management, capabilities which are indispensable to smooth the transition to a market-oriented and competitive economy. A.I.D. in Morocco is concentrating resources in sectors where constraints to development are relatively well defined and susceptible to being addressed through U.S. technical assistance. Accordingly, A.I.D.'s assistance strategy embraces the following program goals: 1) to increase the country's capability to feed itself and to reduce the current deficit in foodgrains through increased food production; 2) to reduce the high rate of population growth while simultaneously addressing basic health needs; 3) to strengthen the Government's capability in energy planning and to reduce growing energy imports by identifying and exploiting domestic sources of conventional and renewable energy; and 4) to promote the growth of Moroccan exports and increase the role of the private sector in the Moroccan economy.

Agriculture: Morocco's growing dependence on food imports and declining per capita cereals production have been compounded by the prolonged drought. Nevertheless, Morocco's extensive rainfed agricultural regions have considerable potential for increased production. Small farmer production is constrained by a combination of outdated technology, inadequate access to agricultural inputs and credit, weak public sector services, and a lack of incentive to invest in improved technology due to the gradual loss of markets to imported grain. A.I.D. proposes to combine Development Assistance, P.L. 480 Title I and ESF resources in a concerted effort to bring about increased domestic production of cereals through technology transfer, training, credit, institutional development, and policy change. Policy dialogue has shifted from the past emphasis on assuring adequate public sector investment resources for rainfed cereals production to cereals' pricing and marketing policies and of promoting privatization of service delivery to farmers. Options are being studied for limited assistance to rainfed areas immediately adjacent to irrigation perimeters to gain more immediate output from existing infrastructure.

Population: Morocco's current 2.7% growth per year makes the achievement of all development objectives problematic. Rapid population growth exacerbates the chronic and growing food deficit and has resulted in a negative annual per capita agricultural production growth rate over the past several years. The GOM's population strategy, with strong A.I.D. support, focuses on reducing the birth rate and infant and child mortality by the extension of family planning and primary health care services to Morocco's most populated provinces and urban centers. Key project interventions strengthen the managerial capacity of the Ministry of Public Health to furnish family planning and primary health services on a nationwide scale. Family planning education and contraceptive distribution are integrated into the delivery of basic health services, particularly immunizations and oral rehydration therapy, in order to use the limited numbers of paramedical personnel most effectively. Increased involvement of the private sector in various aspects of health care delivery will broaden its impact and improve its cost-effectiveness.

Energy: More than 45% of Morocco's foreign exchange earnings are spent on energy imports, and the 1984 oil bill approached one billion dollars. A.I.D.'s strategy is to alleviate dislocations caused by this heavy dependence on imported oil through the strengthening of a newly created energy policy analysis and planning unit in the Ministry of Energy and Mines and by hastening the development of domestic conventional and renewable energy sources. A.I.D. activities emphasize the use of cost-effective private sector management principles and techniques to maximize local capabilities in the exploration and production of hydrocarbon resources, to attract foreign joint-venture partners, and to identify and develop renewable energy technologies best suited for Morocco. Through the transfer of computerized energy modeling techniques, the Ministry will be able to rationalize Morocco's energy investments, review energy pricing structures, and promote energy efficiency in key economic sectors. Institution-building is a key element of the A.I.D. energy strategy through support of the Ministry and two important parastatal organizations, the National Corporation for Petroleum Exploration and Development and the Center for the Development of Renewable Energy.

Private Sector Development: It has become increasingly apparent that many of Morocco's economic problems stem from relatively low levels of new productive investment and an overly protected economy. State participation in the economy has been excessive, and private Moroccan enterprises have barely begun to fulfill their export potential. As legal and administrative bottlenecks are broken, a relatively limited amount of additional assistance to the private sector is likely to result in significant increases in productivity and exports. A.I.D. is addressing these constraints through a major ESF-funded private sector export promotion initiative in FY 1986. This effort will follow two small A.I.D. loans to Moroccan private banks in FY 1985 to stimulate export lending. The A.I.D. program is designed to complement the World Bank's trade policy adjustment program, and to increase Morocco's foreign exchange earnings and debt servicing capability.

A.I.D. Program (FYs 1985 - 1986)

A.I.D.'s most recent program initiatives in Morocco have focused on potential areas for policy reform. Active policy dialogue is underway in all major sectors of the A.I.D. program, as well as in the cross-sectoral arena of economic policy. The Economic Policy Analysis Project (608-0191) will assist GOM agencies with direct responsibilities in economic policy formulation and implementation (primarily the Ministries of Finance, Economic Affairs and Plan) in developing their capabilities in policy appraisal and management. Such capabilities are essential to successfully carry out agreed economic policy reforms; they will contribute directly to the transition to a market-oriented and competitive economy. The project will be comprised of several independent subprojects within a common strategic framework. A major subproject will focus on assistance to the

Pricing Directorate in the Ministry of Economic Affairs to enable it to accelerate the deregulation of sensitive prices. Other subprojects now in preparation would support the National Training Program in Project Appraisal and Management and contribute to streamlining the GOM's planning and budgeting process.

Agriculture: FY 1985 was a year of substantial achievement in the implementation of the A.I.D. agricultural portfolio. Recent evaluations have resulted in improvements in implementation of all projects in the sector. Project management techniques have been enhanced through the establishment of integrated annual work plans and budgets which better coordinate A.I.D. and Government of Morocco resources and establish more realistic targets. The portfolio of existing projects provides a base upon which it will be possible to plan and implement new agricultural initiatives in FYs 1986 and 1987.

The adaptation of existing technology and the development of new or improved technologies in plant varieties, seed preparation and production, cultivation and harvesting practices, and small farm mechanization continue to be the principal objectives of the Dryland Agriculture Applied Research Project (608-0136). This project began in 1978 as a very limited initiative to increase cereal production in arid and semi-arid areas. As a result of an evaluation conducted in FY 1983, this activity was expanded to establish a national center for dryland research and a network of outreach stations through the National Institute for Agricultural Research. A team of resident advisers from Mid-America International Agricultural Consortium, a consortium of U.S. Title XII universities, is now in place; long and short-term training of Moroccan staff in various U.S. universities has been undertaken; and additional U.S. agricultural equipment has been purchased and installed. This institution-building and technology transfer project is designed to create a regional "farming systems" research capacity in Morocco to improve the production of small cereal and livestock farmers in semi-arid regions.

The 1983 mid-project evaluation of the Agronomic Institute Project (608-0160) concluded "that this is an excellent project and one which should be used as a model for innovative participant training projects and for the establishment of viable agronomic and veterinary training institutions in other countries." The project is being implemented through a Title XII collaborative arrangement between the University of Minnesota and the Hassan II National Agricultural and Veterinary Institute; its purpose is to provide the trained professional manpower needed to develop Morocco's agriculture. Following the evaluation, the project was extended in FY 1984 for an additional 5 years with continued emphasis on faculty training and greater attention to developing the Institute's library and data processing facilities.

Livestock remains an important facet of rainfed agriculture in Morocco, accounting for approximately 36% of agricultural output. Through the Range Management Improvement Project (608-0145), Utah State University is assisting the Ministry of Agriculture's Livestock Service and local communities to use more effectively rangelands not suited to food crops and to prepare and distribute plant materials for improved forages. U.S. Peace

Corps Volunteers are active in the implementation of this project. Plans for FY 1986 include implementation of improved range management practices and reseeding on public and private rangelands. This Title XII project was evaluated in FY 1984 and, as a result of the evaluation recommendations, has refocused efforts more directly on institution-building objectives.

The United States Department of Agriculture is managing the Planning, Economics and Statistics for Agriculture Project (608-0182), initiated in FY 1983. Through a combination of staff training, technical assistance and up-dated data processing facilities, the project will improve the capacity of the Ministry of Agriculture for making timely crop production and yield estimates, for economic and policy analysis, and for the design and evaluation of agricultural projects. In collaboration with the World Bank, this project is currently financing a major study of agricultural prices and market incentives. The results of this study will be the principal basis for A.I.D.'s policy dialogue on prices, subsidies and privatization in the agriculture sector during FYs 1986 and 1987 and for the development of PL 480, Title I Self-Help Measures.

Initiated in FY 1985, the Small Farm Credit Project (608-0184) provides loan assistance to Morocco's Agricltural Credit Bank (CNCA) to reschedule debts of small dryland farmers seriously affected by the 1981-84 drought. Funds provided will enable small farmers to rebound from the drought and at the same time maintain CNCA's strong outreach performance as a progressive credit institution. The project complements other major donor assistance to CNCA and finances studies aimed at improved credit operations, including lending to private agribusiness by CNCA starting in FY 1986. This project also provides new opportunities for A.I.D. to work with the private sector in Morocco's agriculture.

PL 480, Title I continues to generate the local currency required to support A.I.D.-financed projects in the agriculture sector and priority activities in the development budget of the Ministry of Agriculture and Agrarian Reform. Further, the importance of Title I within the Government of Morocco has resulted in a willingness to adopt Self-Help Measures that lead to significant program-level changes. Measures undertaken during FY 1985 relate to agricultural research and extension, public investment in rainfed agriculture, and economic policy reform.

Population and Health: The Government's population efforts under the Population and Family Support II Project (608-0155) through FY 1984 were aimed at the establishment of a household-level primary care delivery system in 13 provinces, provision of contraceptive supplies through this system, and training of medical and paramedical personnel. The latest demographic data indicate a drop in the total fertility rate in Morocco from 6.3 to 5.8 between 1978 and 1983, and an increase in contraceptive prevalence from 12% to 25.5% over the same period. Much of this success has been achieved by the household level family planning and mother-child health program. As recommended in the 1983 evaluation of the project, the Population and Family Planning Support III Project (608-0171) was initiated in order to continue and extend support for the program. With expansion into six new provinces and nine urban prefectures in 1986, program coverage is intended to reach more than 70% of the target population. The project supports complementary activities in reproductive health, private sector sales of contraceptives in collaboration with the private Moroccan Family Planning Association, and natural family planning.

As a part of its policy dialogue, A.I.D. is working with GOM policy makers to assure the impact of rapid demographic growth on development prospects and to strengthen GOM resolve to take further steps to accelerate fertility decline. The impact of current growth patterns and potential fertility reduction on key sectors, such as education, housing, health and agriculture, and the integration of the results into development planning are of particular interest.

Morocco still has high rates of infant mortality and morbidity. To address this problem A.I.D. is assisting the Ministry of Health to strengthen its information, education and communication capabilities in support of oral rehydration and immunization programs, and in improving management systems which support primary health care and family planning. With assistance under the Health Management Improvement Project (608-0151), the Ministry has implemented major improvements of its personnel and pharmaceutical logistics systems and is instituting a computerized management information system of all administrative and operational systems.

Continued improvements in the delivery of health and family planning services, however, are seriously affected by the austerity program and compressed GOM budgets. Recognizing the importance of health improvement and reduced population growth for development, A.I.D., as a new aspect of its policy dialogue, has engaged GOM and private officials in a search for means of increasing cost-effectiveness of the public health system through improved cost recovery and greater collaboration with the private sector. A.I.D. resources are being used to identify innovative means of health financing, including private prepaid health care programs. Management of the PL 480, Title II program continued to improve in FY 1985 as more rigorous selection criteria were installed in the mother-child health program, port surveillance increased, and commodities moved faster out of ports. The full phase-over of the program to the Government of Morocco is moving more slowly than anticipated, in part as a result of Morocco's serious economic difficulties. However,, concrete steps have been taken toward purchase of local foods for use in the program.

Energy: Morocco now imports over 85% of its commercial fuel needs for which it pays an oil bill of roughly one billion dollars per year. Morocco's hydroelectric production has dropped sharply due to continuing drought conditions, and the devaluation of the dirham against the dollar caused dollar denominated oil imports to rise in price by another 20% during FY 1985, despite a relatively stable international oil market. Morocco's response to this situation has been to introduce conservation measures, increase domestic prices and step up domestic exploration. A.I.D. responded to this priority effort by initiating two projects in FY 1984, the Energy Planning Assistance Project (608-0180) and the Conventional Energy Management and Training Project (608-0176). Based upon an evaluation of an initial A.I.D. financed pilot effort, the Energy Planning Project will assist the Ministry of Energy and Mines to choose among investment options, initiate and monitor conservation measures, and establish more rational energy pricing policies. The effort will strengthen the Ministry's energy planning unit to improve its analytical capability and decision-making process.

Significant progress was made during FY 1985 in the managerial reform of the Government of Morocco's National Corporation for Petroleum Exploration and Development (ONAREP), resulting in success in encouraging greater private foreign investment. A.I.D.'s Conventional Energy Project is helping ONAREP establish a better balance between public and private resources to explore and develop Morocco's conventional energy potential, and will further strengthen ONAREP's financial management through advisory assistance and training.

In renewable energy, A.I.D. continues to work with the Moroccan government through the Renewable Energy Development Project (608-0159). The project's second major evaluation was completed in October 1985, with recommendations to further focus project goals and to shift the project away from technology-driven demonstrations towards commercially viable applications of existing technologies. These recommendations are being implemented.

The Winter Snowpack Augmentation Project (608-0190) was initiated in FY 1984 and attempts to alleviate to some degree the disastrous effects of recent drought through the enhancement of winter snowfall in the High Atlas Mountains, the primary source for several of Morocco's major water reservoirs. These reservoirs feed the irrigation systems on the adjacent plains which are Morocco's bread basket. The reservoirs are also the source of a large portion of Morocco's hydroelectric power and water for industrial and commercial use. Implemented under an agreement with the U.S. Bureau of Reclamation, the project is providing training, technical assistance, and scientific equipment to Morocco's National Meteorological Service.

Private Sector Development: The Private Sector Export Promotion Project (608-0189) will be launched in 1986. This project stems from the analysis of Morocco's trade and payments imbalances and upon a lengthy dialogue with Moroccan businessmen, financiers and government officials regarding Morocco's weaknesses in the development of new export markets and new product lines. Three important measures to assist Moroccan entrepreneurs to produce for export will be supported: a reformed export credit insurance program, expanded access to credit for small and medium-size exporters, and technical assistance in production and marketing for export. The A.I.D. initiative will complement the World Bank's Industrial and Trade Policy Adjustment Program.

A.I.D. also plans to continue grants to the International Executive Service Corps to provide to Moroccan businesses technical and managerial expertise by volunteer American executives. A.I.D. has also provided grant assistance to Catholic Relief Services to develop the small business management consulting capabilities of the major business school in Casablanca as one vehicle to assist small businesses. Further, the A.I.D. Mission in Morocco has facilitated two Private Enterprise Bureau loans to private Moroccan banks for export-credits and marketing services. Finally, other private sector initiatives are being explored across other sectors in the A.I.D. Mission's portfolio. These include "privatization" of veterinary services and distribution outlets for agricultural inputs, the private production of health-care products and health-care financing plans, commercial distribution of contraceptives, and reliance on contracts with private companies for services now provided by the public oil exploration company.

Other Activities: A.I.D.'s program also addresses important Moroccan manpower and urban development needs. Although most of the Mission's projects in all sectors contain training activities, the Sector Support Training Project (608-0178), initiated in FY 1983, goes beyond project-specific training to provide short-term and academic training in management, science and technology for mid- and upper-level officials in government and the private sector. The project is financing more than 100 Master's degrees, 10 Ph.D.'s, and specialized short-term courses in the United States. In line with Mission interest in improving GOM capacity in planning and management of investment and development projects, the project is also supporting in-country training in economic and financial analysis and in specific technical areas.

Internal migration, population growth, and urban expansion in Morocco continue to outpace the development of serviced urban land and the delivery of shelter, especially for families below the median income level. More than one-half of the annual growth of new urban dwellings is in the form of uncontrolled shanty towns and urban squatter settlements. The $17 million authorization for the existing Housing Guaranty Program is aimed at upgrading small and medium sized shanty towns and the provision of core housing. This program has been extended to 1988, allowing the GOM to readjust the program to be consistent with its fiscal austerity policies. A second Housing Guaranty project, Tetouan Urban Development, will upgrade squatter settlements in a major secondary city and prevent their spread. This project was authorized in FY 1985, at a life-of-project total of $25 million. This project will incorporate technical assistance to implementing agencies in areas of particular policy level concern, including cost recovery and municipal tax reform. A.I.D. completed an Urban Development Assessment in FY 1985. This and other follow-on studies will provide an analytical basis for the development of program options with respect to the urbanization phenomenon in Morocco.

Requested Year Program (FY 1987)

Development Assistance: In Agriculture, Rural Development and Nutrition, funds are needed to finance the continuation of Dryland Agricultural Applied Research (608-0136), Renewable Energy Development (608-0159), Agronomic Institute (608-0160), Planning, Economics and Statistics (608-0182), and Agricultural Management and Productivity (608-0185) projects.

In Population, funds are needed for technical assistance, training, contraceptives and local costs of the Family Planning Support III Project (608-0171).

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In Education and Human Resources, funds are required to expand the Sector Support Training Project (608-0178) which provides graduate level and short-term technical scholarships for Moroccans to study in American institutions.

In the Selected Development Activities account existing projects in Energy Planning Assistance (608-0180) and Economic Policy Analysis Support (608-0191) will be continued.

Economic Support Funds: Funds will be utilized by the A.I.D. Mission in FY 1987 to provide additional funding for the Private Sector Export Promotion Project (608-0189) initiated in FY 1986. The purpose of this project is to stimulate private investment and economic activities with emphasis on the production or transformation of exportable goods and services. In addition, A.I.D. plans to finance a new Agricultural Inputs Project (608-0192), which will relieve the constraints related to the timely delivery of needed agriculture imports. The project will also address policy and institutional reforms to ameliorate supply shortages caused by excessive government intervention and the relative lack of private sector participation in the delivery of supplies.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MOROCCO

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
DRYLAND AGRICULTURE APPLIED RESEARCH	G	608-0136	78	88	26,323	26,323	11,987	8,521	4,500	4,751	3,548	4,800
RANGE MANAGEMENT IMPROVEMENT	G	608-0145	80	85	5,075	5,075	5,075	4,171	---	905	---	---
RENEWABLE ENERGY	G	608-0159	80	87	9,200	9,200	6,419	3,402	1,000	1,433	952	2,000
AGRONOMIC INSTITUTE	G	608-0160	80	89	28,508	28,508	15,976	12,684	3,200	2,412	3,000	3,000
PLNG, ECON, STAT FOR AGRICULTURE	G	608-0182	83	89	12,567	12,567	4,636	1,258	1,700	2,453	2,000	1,800
TOTAL FOR ACCOUNT					81,673	81,673	44,093	30,036	10,400	11,954	9,500	11,600
GRANTS					81,673	81,673	44,093	30,036	10,400	11,954	9,500	11,600
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
FAMILY PLANNING SUPPORT III	G	608-0171	84	88	17,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
TOTAL FOR ACCOUNT					17,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
GRANTS					7,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
LOANS					---	---	---	---	---	---	---	---
HEALTH												
HEALTH MANAGEMENT IMPROVEMENT	G	608-0151	81	85	3,147	2,685	2,685	2,426	---	210	---	47
SECTOR SUPPORT TRAINING	G	608-0178	83	83	300	300	300	132	---	95	---	73
TOTAL FOR ACCOUNT					3,447	2,985	2,985	2,558	---	305	---	120
GRANTS					3,447	2,985	2,985	2,558	---	305	---	120
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												
FAMILY PLANNING SUPPORT III	G	608-0171	84	88	---	2,000	---	---	2,000	2,000	---	---
TOTAL FOR ACCOUNT					---	2,000	---	---	2,000	2,000	---	---
GRANTS					---	2,000	---	---	2,000	2,000	---	---
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MOROCCO

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
EDUCATION AND HUMAN RESOURCES												
SOCIAL AND ECONOMIC RESEARCH	G	608-0154	79	79	450	450	450	281	---	107	---	61
SOCIAL SERVICES TRAINING	G	608-0157	80	84	5,400	3,980	3,880	3,287	---	---	---	---
STATISTICAL SERVICES	G	608-0162	80	83	1,500	1,500	1,500	1,293	---	208	---	---
SECTOR SUPPORT TRAINING	G	608-0178	83	87	8,126	8,126	6,225	1,345	1,900	1,445	1,500	1,500
TOTAL FOR ACCOUNT					15,476	13,956	12,055	6,206	1,900	1,760	1,500	1,561
GRANTS					15,476	13,956	12,055	6,206	1,900	1,760	1,500	1,561
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
TETOUAN URBAN DEV.	G	608-0001.01	86	86	---	500	---	---	500	100	---	200
ENERGY PLANNING ASSISTANCE	G	608-0180	84	87	4,000	4,000	2,130	2	500	663	1,370	1,200
PEACE CORPS SMALL PROJECT FUND	G	608-0181	84	88	130	280	90	34	---	---	---	---
SMALL ENTERPRISE DEVELOPMENT (OPG)	G	608-0187	85	85	300	300	300	---	---	100	---	100
WINTER SNOWPACK AUGMENTATION	G	608-0190	84	86	1,000	1,000	1,000	---	---	821	---	179
ECONOMIC POLICY ANALYSIS	G	608-0191	85	89	8,600	8,600	1,070	---	1,500	1,000	1,630	1,500
TOTAL FOR ACCOUNT					14,030	14,680	4,590	36	2,500	2,654	3,000	3,179
GRANTS					14,030	14,680	4,590	36	2,500	2,684	3,000	3,179
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
CONVENTIONAL ENERGY	G	608-0175	84	86	5,000	5,000	4,000	1,213	---	1,500	1,000	1,400
DROUGHT RECOVERY	G	608-0184	85	85	1,500	1,500	1,500	---	---	417	---	500
DROUGHT RECOVERY	L	608-0184	85	85	13,500	13,500	13,500	13,500	---	---	---	---
PRIVATE SECTOR SUP & EXPORT PROMOTION	G	608-0189	86	89	---	3,500	---	---	1,484	200	1,000	1,000
PRIVATE SECTOR SUP & EXPORT PROMOTION	L	608-0189	86	88	---	31,000	---	---	9,000	8,000	8,000	8,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: MOROCCO

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
WINTER SNOWPACK AUGMENTATION	G	608-0190	84	86	5,000	5,000	3,000	2,047	2,000	1,537	---	1,200
AGRICULTURAL INPUTS	* L	608-0192	87	87	---	40,000	---	---	---	---	10,000	10,000
TOTAL FOR ACCOUNT					25,000	99,500	22,000	16,760	11,484	11,654	20,000	22,100
GRANTS					11,500	15,000	8,500	3,260	3,484	3,654	2,000	4,100
LOANS					13,500	84,500	13,500	13,500	8,000	8,000	18,000	18,000
TOTAL FOR COUNTRY					157,516	232,684	94,873	57,591	31,484	33,714	38,000	43,160
GRANTS					144,016	148,184	81,373	44,091	23,484	25,714	20,000	25,160
LOANS					13,500	84,500	13,500	13,500	8,000	8,000	18,000	18,000

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: MOROCCO

Title AGRICULTURAL INPUTS		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 10,000	Life of Project Funding 40,000
Number 608-0192 ☐ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1988
						Estimated Completion Date of Project FY1991

Purpose: To increase small- and medium-scale farm productivity in rainfed areas and hence family incomes through the intensified uses of appropriate agricultural inputs.

Project Description: A.I.D. has identified fertilizer, seed and credit as major constraints to increased agricultural production in Morocco. Moreover, the internal marketing and distribution network of seeds, fertilizers and cereals is currently heavily regulated and subject to major government intervention and control. Effective demand for improved inputs may be significantly greater than Morocco's capacity to supply the market. Likewise, inputs may be hampered by the current and prospective balance of payments situation and the dearth of foreign exchange resources. These concerns are shared by other major donors, including the World Bank. The Agricultural Inputs Project will address removal of these major constraints to expanded agricultural production by increasing the supplies of selected inputs and through policy dialogue and reform in the areas of marketing, pricing, subsidies and the role of the private sector. The project will finance (1) foreign exchange costs of imported inputs of fertilizer (or inputs to fertilizer manufacture); and (2) foreign exchange costs of investments in inputs, storage construction and agricultural machinery.

Relationship of the Project to A.I.D. Strategy: Total food imports currently exceed agricultural exports by some 30%. The Moroccan Government has established increased domestic food production as a leading objective. To assist in this aim, A.I.D. has developed a strategy to achieve substantially higher grain production in Morocco's extensive and long-neglected rainfed agricultural regions, where the majority of Morocco's low-income farmers live. The Agricultural Inputs Project will use ESF funds principally to implement the input supply components of the strategy.

Host Country and Other Donors: The Government of Morocco has already made some preliminary steps in liberalizing fertilizer and seed distribution (privatization of government sales outlets, annual margin adjustments, reduction of subsidies) and has indicated a general willingness to examine further deregulation.

Beneficiaries: An estimated 500,000 small and medium farm families, principally in the targeted rainfed agricultural areas, stand to benefit directly from improved access to inputs and consequent higher income prospects as productivity of agricultural production improves.

Major Outputs: Increased cereal production in rainfed areas of the country and larger incomes for some of Moroccos poorest citizens.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Fertilizer ingredients, imported parts for storage units, machinery and farm implements.	$40,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	---	---	---
Estimated Fiscal Year	----	---	
Estimated Through September 30, 1986	---	---	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	10,000	30,000	40,000

Principal Contractors or Agencies

NEPAL

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COUNTRY:  (367) NEPAL

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     16,996

PER CAPITA GNP.......... (DOLLARS,1983)        160

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.1%

ANNUAL RATE OF INFLATION (1973-83)  8.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION. (1977)   4.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 46.8  MALE 47.4  FEMALE 46.1
                     (1970)   TOTAL 41.4  MALE 42.0  FEMALE 40.8

ADULT LITERACY RATE  (1975)   TOTAL  19%  MALE  33%  FEMALE   5%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -1.1%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1982)    55%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       374


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,CORN ,.                           80%   (1984)
  CASH: JUTE ,POTATOES ,OILSEEDS                        3%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) JUTE ,RICE ,

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    93%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1979)        194 (80)        218 (81)        262
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1979)        243 (80)        277 (81)        321
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1979)        -49 (80)        -59 (81)        -59
   ENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979)  6.6% (80)  8.7% (81)  6.5%
  AS % OF GNP................. (1979)  0.9% (80)  0.9% (81)  0.9%

    ICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
     LIONS, U.S.)              (1982)   206 (83)   140 (84)    78
     ALENT TO  2.5 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)RICE/OTHR FOODS,JUTE            ,TIMBER

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    2  (1983)    6  (1984)    8
   AS % OF TOTAL EXPORTS (1981)    2% (1982)    3% (1983)   6%

MAJOR IMPORTS(1983)CONSUMERS GOODS,FUEL            ,BLDG MATERIALS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)    7  (1983)    8  (1984)    4
   AS % OF TOTAL IMPORTS (1981)    3% (1982)    2% (1983)   2%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -218(82)   -319(83)  -372

TRADING PARTNERS: INDIA ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    38.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    8
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  8.3%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)  2.0% (1978)  2.5% (1985)  2.7%

POPULATION IN URBAN AREAS.............(1970)     4%  (1985)    7%

LIVE BIRTHS PER 1,000 POPULATION .....(1970)         (1985)    42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1981)  6.8%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 42.9% (15-64YRS) 54.2% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 107

PEOPLE PER PHYSICIAN................. (1980) 30,062

MAJOR CAUSES OF
DISEASE (1980) INTESTINAL INFEC,TUBERCULOSIS    ,TYPHOID FEVER
DEATH.  (1978) ACUTE RESP. INFE,DYSENTERY        ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1981)    86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL  58.8   MALE  83.6    FEMALE  33.0
SECONDARY........ (1982)  TOTAL  18.0   MALE  12.3    FEMALE   2.4
POST SECONDARY..  (1980)  TOTAL   2.4   MALE   3.8    FEMALE   1.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     10.5%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY NEPAL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	20.6	19.8	18.9	18.5	17.5	333.1	3.4	329.7
Loans	-	-	-	-	-	7.6	3.4	4.2
Grants	20.6	19.8	18.9	18.5	17.5	325.5	-	325.5
a. A.I.D. and Predecessor Agencies	13.4	14.0	15.5	13.8	14.1	164.9	0.4	164.5
Loans	-	-	-	-	-	0.4	0.4	-
Grants	13.4	14.0	15.5	13.8	14.1	164.5	-	164.5
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	5.7	4.3	1.7	2.8	1.3	138.2	3.0	135.2
Loans	-	-	-	-	-	7.2	3.0	4.2
Grants	5.7	4.3	1.7	2.8	1.3	131.0	-	131.0
Title I - Total Sales Agreements	-	-	-	-	-	102.5	3.0	99.5
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	102.5	3.0	99.5
Title II - Total Grants	5.7	4.3	1.7	2.8	1.3	35.7	-	35.7
Emerg. Relief, Econ. Develop. & World Food Program	5.7	4.3	1.7	2.8	1.3	35.6	-	35.6
Voluntary Relief Agencies	-	-	-	-	-	0.1	-	0.1
c. Other Economic Assistance	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Loans	-	-	-	-	-	-	-	-
Grants	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Peace Corps	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	0.1	0.1	0.1	0.1	2.5	-	2.5
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	0.1	0.1	0.1	0.1	2.5	-	2.5
a. MAP Grants	-	-	-	-	-	1.7	-	1.7
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	*	0.1	0.1	0.1	0.1	0.8	-	0.8
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	20.6	19.9	19.0	18.6	17.6	335.6	3.4	332.2
Loans	-	-	-	-	-	7.6	3.4	4.2
Grants	20.6	19.9	19.0	18.6	17.6	328.0	-	328.0
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	77.7	220.3	193.3	1198.8
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	3.0	0.0	12.3
IDA	28.0	148.8	92.6	613.3
IDB	0.0	0.0	0.0	0.0
ADB	48.4	66.0	80.7	451.8
AFDB	0.0	0.0	0.0	0.0
UNDP	1.3	2.5	0.0	88.3
OTHER-UN	0.0	0.0	0.0	31.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	19.0	22.0	70.0
Japan	35.4	28.5	151.0
United Kingdom	16.8	11.2	92.2
Germany,Fed. Rep.	9.7	17.2	89.1
Switzerland	11.8	10.7	50.1
Other	20.9	19.5	84.0
Total	113.6	109.1	536.4

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
	N.A.	20.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	30
Eastern Europe	-	-	-
Total	-	-	30

NEPAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans		-	-	-	-	-	-	-
Grants	19,128	12,329	2,600	2,600	1,493	106	-	-
Total	19,128	12,329	2,600	2,600	1,493	106		
1986								
Loans		-	-	-	-	-	-	-
Grants	14,400	9,251	2,100	1,825	1,224	-	-	-
Total	14,400	9,251	2,100	1,825	1,224			
1987								
Loans		-	-	-	-			
Grants	14,400	10,219	1,229	1,699	1,253	-	-	-
Total	14,400	10,219	1,229	1,699	1,253			

FY 1987
PROGRAM HIGHLIGHTS

- Natural resource management and forestry in the Hill District, $4.75 million.
- Access to better quality seed and varieties for small farmers in food deficit hill areas, $3.7 million.
- Institutional capability of Government and of farmer user groups to manage irrigation systems for greater efficiency, $.75 million.
- Instruction and research programs and administration of Nepal's only center for advanced agricultural training, $1.0 million.
- Addition of oral rehydration therapy, basic immunization services and treatement of respiratory illnesses to health and family planning services, $2.9 million.
- Participant training for sixty Nepalese to meet public and private sector development needs, $.50 million.
- Improving access to basic education and quality of instruction, $.8 mil.

NEPAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	-	-
Grants	19,603	18,898	15,808
Total AID	19,603	18,898	15,808
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	19,603	18,898	15,808

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

NEPAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	21	20	20
PASA [b]	–	–	–
TOTAL	21	20	20

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	41	19	60	62	23	85	63	26	89
Regional [e]	1	–	1	1	–	1	1	1	2
TOTAL	42	19	61	63	23	86	64	27	91

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A [b]	T [c]	Total	A	T	Total	A	T	Total
Bilateral [d]	235	64	299	288	139	427	265	99	364
Regional [e]	1	–	1	–	3	3	–	3	3
TOTAL	236	64	300	288	142	430	265	102	367

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

NEPAL

Development Overview

Nepal's per capita income of $160 places it among the world's most impoverished nations. Mountainous regions cover 80 percent of the country and are populated by about ten million people, often living in extreme isolation and deprivation. Ensuring an adequate food supply is the country's most immediate need.

Agriculture is the livelihood of more than 90 percent of the populace. Only 16 percent of the nation's total area is suitable for cultivation, and population density per unit of arable land is extremely high, approximating that of India. Farm families are increasingly compelled to cultivate marginal lands, with adverse consequences for the environment. Depletion of forests and over-grazing add to environmental deterioration. With an estimated 50 percent of the population at or below subsistence levels, however, relentless exploitation of the fragile resource base is essential to survival. Population growth compounds the issue: at the current 2.66 percent rate of increase, the total population of nearly 17 million will double in less than thirty years.

Public revenues are not keeping pace with budgetary requirements, and the cost of imports chronically and increasingly exceeds export earnings. The Government relies heavily on foreign assistance, which accounts for about 60 percent of the development budget.

Nepal espoused development only in the early 1950's. In less than 35 years since, marked progress has occurred in transportation, communications and nationwide education. These are continuing Nepalese priorities. Current emphasis also includes water resource development, food production, and natural resource management.

Water is Nepal's major natural resource, offering potential for hydroelectric power generation far in excess of foreseeable domestic requirements. Only 22 percent of the country's farmland is irrigated. Harnessing and managing water for agriculture can enable immediate increases in food production. Moreover, declining yields of the principal cereals over the past decade is evidence that Nepalese agriculture has yet to tap the promise of applied research and improved technology. A dearth of natural resources other than water, and openness to the Indian market, make it difficult to identify industries where Nepal has a comparative advantage. The private sector is small and rudimentary. However, if given impetus by public policy, including reduction of state owned enterprises, it could respond with rapid growth.

U.S. Interests and Objectives

Nepal's position between India and China, together with its historical links with both countries, makes it a key buffer state. A stable Nepal is thus important to security in South Asia.

U.S. economic assistance to Nepal therefore is important in humanitarian terms and also is designed to foster the economic development essential to the country's continued internal stability. Nepal's foreign policy stresses non-alignment and moderation and is favorable to American regional and global interests.

A.I.D. Development Strategy

The A.I.D. program is oriented toward the needs of an overwhelmingly rural society and economy. The broad goal is to improve the balance among food supply, population, and exploitation of land and forests. Specific program objectives are to help increase agricultural productivity; conserve the natural resource base; and promote more effective delivery of essential services - family planning, health and education.

The most urgent needs in Nepal are for adequate food supply and control of soil erosion and deforestation. The A.I.D. strategy is to identify and introduce agricultural technology to improve yields. The technological keys are improved seed and varieties, and changes in cropping patterns and farming systems.

A.I.D.'s strategy emphasizes greater attention to natural resource management in policies of the Government of Nepal (GON); and creating the capability to put policy into action in the hills, where environmental deterioration is most evident. Enlarging the influence of local communities in forest management and training Nepalese professionals needed to mount a nationwide conservation program is vital to the strategy.

Access to family planning services and availability of adequate health care for smaller families is essential to the strategy for a better balance between people and environment. A.I.D. will continue to be the lead donor in the population and health sectors.

The magnitude and complexity of the task of implementing development exceeds the resources of the Nepalese Government. Thus, the A.I.D. strategy is to assist local initiative in planning and managing development programs. In policy forums, A.I.D. supports implementation of decentralization measures promulgated by the Government to strengthen local responsibility and capability. In the field A.I.D. project assistance builds the requisite institutional capacity, and provides concrete evidence that decentralization works.

A.I.D. is supporting private enterprise initiatives in improved seed production, social marketing of contraceptives and oral rehydration salts, and marketing fuel efficient stoves. Particular emphasis is being given to support of private enterprise as a strategic priority, and A.I.D. is examining promising avenues for broader involvement in this sector.

Education is essential to enlarging economic opportunity and for development in all sectors. A.I.D.'s strategy continues long-standing U.S.

support for education on a nationwide basis. The participant training program also remains a vital resource for improving Nepal's human resource base.

A.I.D. Program (FYs 1985-86)

The A.I.D. program in FY 1985-86 emphasizes food production and natural resource management, for which 60 percent of bilateral funding is budgeted, and health/family planning which receives nearly 30 percent of the budget. Five new projects began in FY 1985, building upon prior agriculture sector activities and adding irrigation management and girls' education to the program. No new projects are scheduled to begin in FY 1986. The portfolio will consist of eleven active projects at the end of FY 1986.

A. Agriculture, Rural Development and Nutrition

The A.I.D. agriculture program helps the GON improve natural resource management and provide technology for more efficient food production. The Resource Conservation and Utilization (RCU) project (367-0132) is probably the largest field effort in Nepal focused primarily on resource conservation. The program, implemented under a Title XII collaborative agreement with the South-East Consortium for International Development, concentrates on field activities in forestry, erosion control and land use management. Assistance in building the capability of the Institute of Renewable Natural Resources to train Nepalese in conservation, forestry and related disciplines is a principal element of the project. A World Bank loan supports construction of campus facilities for the Institute. During FY 1986 the recommendations of a recent mid-term evaluation will be carried out to redirect RCU project resources to primary activities which have had greatest impact thus far in reducing the rate of environmental degradation. Secondary and tertiary activities will be shifted to the GON for further support.

As a result of policy dialogue by A.I.D and other donors, the GON is making progress in returning control of forested lands to local communities. These efforts must be further accelerated, broadened and combined with greater access to improved conservation technology. This will be the prime policy agenda item for the natural resources sector for some time.

The Agricultural Research and Production project (367-0149) is engaged in improving national agricultural services, specifically research, extension and seed supply, aimed at the complex needs of the hills. It was initiated in FY 1985 to capitalize on successful methods, such as production of better seed and demonstration activities by farmers themselves, developed under prior A.I.D. projects. Also reflecting evaluation findings of these earlier projects, in FY 1986 the Agricultural Research and Production project will begin to enlarge activities in isolated hill locations.

Although water is an abundant resource in Nepal, only sixteen percent of arable land is irrigated. Inefficiencies in existing systems reduce effectiveness dramatically. A new FY 1985 Irrigation Management project

(367-0153) will begin training and research in improved irrigation system management including operations, maintenance and development of small farmer water user groups to more actively participate in water use decisions and maintenance. Activities are targeted on operation and maintenance of existing government-operated small and medium systems.

A.I.D.'s rural development program puts great importance on local participation in planning and conducting resource management, food production and income generating programs. The Rural Area Development - Rapti Zone project (367-0129) is one of nine major rural development programs in Nepal assisted by bilateral and multilateral donors, and is at the forefront of the Government's decentralization process. The project supports activities which increase productivity of rural households, restore the natural environment and establish effective local development capabilities. A substantial number of Peace Corps Volunteers serve with the project in a catalytic and advisory role in remote locations. Like the Resource Conservation and Utilization project discussed above, the Rapti project is being restructured to reflect the outcome of a major evaluation completed early in FY 1986. The scope of activities will be narrowed to concentrate A.I.D. resources on primary operations which have had a demonstrable impact to date, and secondary elements will be shifted to GON responsibility. Also in FY 1986 an A.I.D.-funded feasibility and design study for 200 kilometers of rural roads in the Rapti Zone is being reviewed with other donors with the purpose of securing their contribution to construction.

A.I.D.'s sectoral objectives for agriculture and rural development depend most importantly on education. Accordingly, assistance is being continued in FY 1985 and FY 1986 to the Institute of Agriculture and Animal Science (367-0148) and, under the Resource Conservation and Utilization project, to the Institute of Renewable Natural Resources. In both cases, this support is provided in conjunction with the World Bank, and both include innovations introduced by A.I.D. to increase enrollment of women and students from remote areas.

A.I.D. efforts in training agricultural professionals for Nepal and improving policy-oriented research are supplemented by assistance through Winrock International to the Ministry of Agriculture as part of the Private Voluntary Organization (PVO) Co-Financing project (367-0144).

B. Population and Health

A.I.D.'s population and health sector objectives are to improve and expand rural health and family planning services, and to create awareness of population concerns among various organizations and in Nepalese society. A.I.D. pursues these aims through the Integrated Rural Health/Family Planning project (367-0135). In health the project concentrates on improving the impact of GON services for reduction in morbidity/mortality, especially among children and women of reproductive age, and malaria control. Family planning strategy focusses on creating demand for and assuring access to safe, convenient means of contraception. The population strategy stresses the creation of understanding of the determinants and consequences of rapid population growth, and encouragement of policies and programs that incorporate population considerations into government programming in other sectors. In FY 1985 a major evaluation of this project strongly recommended continuation of nearly all elements, and a project extension through March 1988 was agreed upon with the GON. Activities concentrating on diarrheal diseases, immunizations and severe respiratory infections are new elements of the Integrated Rural Health/Family Planning project funded with a supplementary $1 million FY 1985 Child Survival Fund grant.

A.I.D.'s population policy and strategy concerns have been advanced through the Population Policy Development project (367-0130) which strengthened the National Commission on Population. The Commission has sponsored a wide variety of population research, and has improved awareness of population issues among influential circles. Since project completion at the end of FY 1985, policy objectives are pursued through the Integrated Rural Health/Family Planning project and through centrally-funded support activities.

Alternative, smaller scale and more intensive systems for health and population education and for the delivery of related services in rural areas are being designed and tested by two Private Voluntary Organizations, Save the Children and World Education, with funds from the PVO Co-Financing project (367-0144).

C. Education and Human Resources

The A.I.D. education program emphasizes improving the quality of instruction at the primary level and increasing girls' enrollment. The Radio Education Teacher Training II project (367-0146) began pilot radio broadcasts during FY 1986, as a cost effective means of improving the knowledge and skills of primary teachers. In FY 1986, in two rural districts, the Girls' Access to Education project (367-0151) is establishing replicable women's education centers, including organization of pre-school and nonformal education programs.

Human resources development in key sectors is supported under the Development Training project (367-0152). During the life of this project over 400 Nepalese will be selected for training in the United States, Israel, India and other Asian countries. The project introduces several innovations: 25 percent of training slots are reserved for women and 10 percent for private sector individuals. The project also provides funding for local private institutions to conduct management skills training in Nepal. The India training element of this project was funded in prior years from a Special Foreign Currency Appropriation (SFCA) of excess Indian rupees. Access to Indian rupees terminated at the end of FY 1985.

E. Human Rights, Section 116 (e) of the Foreign Assistance Act

A.I.D. will continue to provide funding through mid-FY 1986 to both the Nepalese Supreme Court and the Ministry of Law and Justice for legal research and publishing of legal documents such as statutes, regulations and court opinions. As part of the project Strengthening the Legal System of Nepal (367-0150), in FY 1985 A.I.D. began to provide Section 116 (e) funding for a third activity, the Nepal Women's Organization's Women's Legal Services project. The purpose of this latter activity, which is co-financed by the Ford Foundation, is to broaden women's awareness of their rights under Nepalese law.

Requested Year Program (FY 1987)

Development Assistance grant funds requested for FY 1987 will provide final funding for five projects and incremental funding for five projects. Two new projects will be initiated. The portfolio will consist of twelve active projects at the end of FY 1987.

A. Agriculture, Rural Development and Nutrition

Final funding will be provided to improve natural resource management through the Resource Conservation and Utilization project (367-0132). In FY 1987 the project will reflect adjustments made to take into account recommendations flowing from a major evaluation completed in early FY 1986. As a result of this evaluation, a new project, Institute for Renewable Natural Resources (367-0154), will assist development of a new school for advanced training in forestry, natural resource conservation and related disciplines.

The Rural Area Development - Rapti Zone project (367-0129) will receive final funding. As a result of another major FY 1986 evaluation, a new Rapti Development project will be initiated in FY 1987 focused primarily on agriculture and forestry production.

Additional funding is proposed for the Institute of Agriculture and Animal Science II project (367-0148) to improve administration of the Institute and build capacity to train professional agriculturalists and extension agents. By the end of FY 1987 the Institute will be graduating some 480 students annually and the first locally written textbooks will be published. Under a Title XII agreement, Utah State University furnishes advisory and implementation services to the project.

The Agricultural Research and Production project (367-0149) will continue support to improve national agricultural research, extension, and seed supply systems. The project will continue to focus more attention on the chronic food deficit hill areas. It will retain the principle of direct farmer involvement in seed production and demonstration of improved varieties of farmers' own lands. Proposed funding for FY 1987 will maintain the pace of full implementation.

The requested funding will provide continued support for more efficient use of vital water resources for agriculture through the Irrigation Management project (367-0153). The project will develop training and service units for operation and maintenance in the Government's irrigation department. The lack of this capacity has contributed to the inefficiencies characteristic of many irrigation systems installed in Nepal to date.

B. Population and Health

Funding will be continued for the Integrated Rural Health/Family Planning project (367-0135). In FY 1987 the project will promote expansion of a successful contraceptive retail sales program by fifteen percent and test contraceptive marketing techniques in village settings. The project will also build on initiatives begun earlier with Child Survival Funds. These are: to assist promotion of oral rehydration therapy on a national scale; test new systems for basic immunization coverage in target regions of Nepal; and formulate a policy and program with the GON to reduce child deaths from respiratory diseases.

The PVO Co-Financing project (367-0144) will receive additional funding to help continue the small, but high impact programs of U.S. private voluntary organizations and their Nepalese counterparts in the population and health sectors.

C. Education and Human Resources Development

In this functional category, further funding is proposed to continue the Development Training project (367-0152). During FY 1987 an additional sixty Nepalese, including private sector participants, will be sent to the U.S., India and other Asian countries for training in key development sectors. Incremental funding is also requested for the Girls Access to Education project (367-0151) and final funding for Radio Education Teacher Training II project (367-0146).

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NEPAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
INSTITUTE OF AG AND ANIMAL SCIENCE	G	367-0102	74	82	5,484	5,484	5,484	5,419	---	---	---	---
RURAL AREA DEVELOPMENT-RAPTI ZONE	G	367-0129	80	87	26,700	24,000	20,199	15,413	2,700	4,300	1,101	2,713
RESOURCE CONSERVATION AND UTILIZATION	G	367-0132	80	87	27,498	27,498	22,588	21,067	3,000	3,185	1,910	2,220
PVO CO-FINANCING	G	367-0144	81	88	1,419	1,800	1,419	1,136	---	180	---	134
INSTITUTE OF AG AND ANIMAL SCIENCE II	G	367-0148	85	88	4,100	4,100	1,010	---	1,000	710	1,045	930
AGRICULTURAL RESEARCH AND PRODUCTION	G	367-0149	85	88	10,000	10,000	1,200	---	1,901	1,720	2,750	2,300
DEVELOPMENT TRAINING & TECHNICAL SUPPORT	G	367-0152	85	90	750	750	750	---	---	500	---	100
IRRIGATION MANAGEMENT PROJECT	G	367-0153	85	90	9,000	9,000	1,500	---	650	1,200	500	1,200
INSTITUTE OF RENEWABLE NATURAL RESOURCES	* G	367-0154	87	94	---	9,800	---	---	---	---	1,000	---
RAPTI DEVELOPMENT	* G	367-0155	87	94	---	20,000	---	---	---	---	1,913	---
TOTAL FOR ACCOUNT					84,951	112,432	54,150	43,035	9,251	11,795	10,219	9,597
GRANTS					84,951	112,432	54,150	43,035	9,251	11,795	10,219	9,597
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
POPULATION POLICY DEVELOPMENT	G	367-0130	79	79	2,000	2,000	2,000	1,826	---	146	---	---
INTEGRATED RURAL HEALTH/FP SERVICES	G	367-0135	80	87	16,200	16,200	13,047	9,141	2,100	2,495	1,029	2,167
PVO CO-FINANCING	G	367-0144	81	88	599	1,049	599	563	---	36	200	120

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NEPAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						18,799	19,249	15,646	11,530	2,100	2,677	1,229	2,287
GRANTS						18,799	19,249	15,646	11,530	2,100	2,677	1,229	2,287
LOANS						---	---	---	---	---	---	---	---
HEALTH													
INTEGRATED RURAL HEALTH/FP SERVICES		G	367-0135	80	87	19,000	19,000	15,651	10,287	1,650	3,200	1,699	2,732
PVO CO-FINANCING		G	367-0144	81	88	893	1,151	543	395	175	90	---	90
TOTAL FOR ACCOUNT						19,893	20,151	16,194	10,682	1,825	3,290	1,699	2,822
GRANTS						19,893	20,151	16,194	10,682	1,825	3,290	1,699	2,822
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
RADIO EDUCATION TEACHER TRAINING II		G	367-0146	84	85	1,619	2,120	1,619	121	374	500	127	300
GIRLS' ACCESS TO EDUCATION		G	367-0151	85	86	1,350	1,550	574	---	350	197	626	300
DEVELOPMENT TRAINING & TECHNICAL SUPPORT		G	367-0152	85	90	5,550	10,550	250	---	500	175	500	400
TOTAL FOR ACCOUNT						8,519	14,220	2,443	121	1,224	872	1,253	1,000
GRANTS						8,519	14,220	2,443	121	1,224	872	1,253	1,000
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
STRENGTHENING THE LEGAL SYSTEM OF NEPAL		G	367-0150	83	85	536	536	536	170	---	264	---	102
TOTAL FOR ACCOUNT						536	536	536	170	---	264	---	102
GRANTS						536	536	536	170	---	264	---	102
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						132,698	166,588	88,969	65,538	14,400	18,898	14,400	15,808
GRANTS						132,698	166,588	88,969	65,538	14,400	18,898	14,400	15,808
LOANS						---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: NEPAL

PLANNED PROGRAM SUMMARY SHEET

Title Rapti Development Project		Funding Source	AG, RD & N 1,913 (G)	Health	PROPOSED OBLIGATION *(In thousands of dollars)* FY 1987 1,913 (G)	Life of Project Funding 20,000 (G)
Number 367-0155 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1994 / Estimated Completion Date of Project FY 1995

Purpose: To increase agriculture and forestry production in the Rapti Zone through local capacity building.

Background: The Rapti Zone is representative of the extreme poverty of the rural areas of Nepal with low household incomes, food production far below requirements, and soil erosion and nutrient depletion so pervasive as to threaten the fundamental life support systems -- agriculture, livestock and forestry.

Since 1980 A.I.D. has supported the Rapti Rural Area Development project (367-0129). As documented in the 1985 evaluation report, the project has established a strong base for a follow-on project focused on increasing agriculture and forestry production.

Project Description: The project will focus on the environmental and agricultural resource base. The project will be implemented in the five districts of the Rapti zone through the Ministry of Agriculture (MOA) and the Ministry of Forestry (MOF) district offices. Agriculture sub-activities will include inter alia: (1) training of extension agents and leader farmers; (2) provision of agricultural inputs; (3) livestock development; and (4) improved linkage of field production activities with national research and other supporting programs. Forestry sub-activities will include: (1) training of extension agents and community leaders; (2) establishment of nurseries and plantations, and (3) seedling distribution.

Relationship of Project to A.I.D. Strategy: The project will establish a model for agricultural and forestry production based on local capacity building, and provide a locale and means for operational field testing of research, training and institutional building efforts carried on by other A.I.D. and donor financed projects.

Beneficiaries: The beneficiaries will be the 1 million rural people of the Rapti zone. The population mostly consists of small farmers with households of less than one hectare of land.

Host Country and Other Donors: The Rapti Development project will promote widespread use of agricultural and forestry technologies already tested in the zone, and will work with other donors on policy issues concerning agricultural development, natural resource management, and local capacity building.

Major Outputs:

Agriculture: Increase in production of major food and cash crops; establish ecologically sound livestock development program; training of extension agents, farmers, local leaders; and, better linkage of production program with national research and other supporting programs.

Forestry: Improved natural resource management and increased production of forest products; and, training of extension agents, farmers, local leaders.

A.I.D. Financed Inputs:	Life of Project ($000)
Technical Assistance	4,000
Commodities	1,000
Training	1,000
Construction	2,000
Operating Program Costs	12,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1937	1,913	18,087	20,000	

PROGRAM: NEPAL

PLANNED PROGRAM SUMMARY SHEET

Title Institute of Renewable Natural Resources (IRNR)	Funding Source	AG, RD & N 1,000 (G)	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 1,000 (G)		Life of Project Funding 9,800
Number 367-0154 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1994	Estimated Completion Date of Project FY 1995

Purpose: To improve the capability of the Institute of Renewable Natural Resources (IRNR) to meet Nepal's need for trained foresters and resource managers by building on progress made to date in further strengthening of IRNR.

Background: Forests and other natural resources essential for human survival and sustainable national development are being indiscriminately degraded in Nepal. Sound natural resources management is crucial to preserve the resource base required to meet the basic needs of Nepal's population. IRNR is the only educational institution in Nepal charged with, and capable of, producing professional resource managers.

Project Description: This project builds upon past support to IRNR under the Resource Conservation and Utilization project (RCUP). A.I.D. assistance will provide: (1) technical assistance - expatriate professors will serve as trainers, advisors, and role models guiding junior and less experienced IRNR staff in teaching, research methods, administration and management; (2) instructional equipment and materials - IRNR needs additional supplies and specialized equipment to teach and demonstrate many of the technologies used in resource management; (3) equal access scholarship program - IRNR will continue to actively recruit female and remote area students, who now number some 15 percent of the student body; (4) faculty development - the project will fund 25 masters level and 5 PHD degree training programs; (5) physical facility development - A.I.D. will fund small renovation, construction works, and grounds improvements, and (6) research, visiting scholar and faculty exchange program - to establish IRNR as a recognized natural resource school, the project will fund visiting scholar and faculty exchange programs.

Relationship of Project to A.I.D. Country Strategy: This project directly supports improved natural resource management and institution building objectives by providing trained resource managers able to promote sustainable rural production systems based on interrelationships between forest resources, crops and livestock.

Beneficiaries: Direct beneficiaries will be the eighty IRNR faculty/staff and 1,500 students. Of the 1,500 students, 450 will either be women or remote area students.

Host Country and Other Donors: Resource conservation is given prominent attention in Nepal's current five year plan. The World Bank funded Hill and Terai Community Forestry projects, are examples of serious initiatives by another major donor in the resource management area. In addition, Swiss, Australian, British and PVO donor assistance programs are implementing resource management projects in Nepal.

Major Outputs: A permanent institution capable of training the majority of Nepal's natural resource managers at the certificate and BSc levels.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	2,450
Training	2,000
Commodities	1,900
Operating Costs	2,750
Construction	700

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,000	8,800	9,800	

778

OMAN

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                                             FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (272) OMAN
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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      1,228

PER CAPITA GNP..... .... (DOLLARS,1983)      6,250

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  6.5%

ANNUAL RATE OF INFLATION (1973-83) 17.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL 53.5  MALE 52.0  FEMALE 55.1
                       (1970)   TOTAL 43.5  MALE 42.5  FEMALE 44.6

ADULT LITERACY RATE  (    .)   TOTAL    .%  MALE   .%  FEMALE    .%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                               (   .-   .)       %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1981)      2%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        104


MAJOR CROP(S)                                      ARABLE LAND  YEAR
  SUBSISTENCE: DATES ,BANANAS ,COCONUTS                   49%   (1984)
  CASH: TOMATOES ,ALFALFA ,LIMES                          32%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIMES ,DATES ,MELONS

MAJOR AGRICULTURAL IMPORTS:(1984) MEATS ,RICE ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE.........(1982)    61%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1979)      1,889 (80)       2,400 (81)       3,280
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1979)      1,643 (80)       2,374 (81)       3,119
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1979)        246 (80)          26 (81)         140
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979) 47.4% (80) 49.6% (81) 48.4%
  AS % OF GNP................. (1979) 26.0% (80) 21.3% (81) 22.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (1982)   944 (83)   838 (84)   976
  EQUIVALENT TO  2.8 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)PETROLEUM      .AGRIC.PROD

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  272  (1983)  340  (1984)  155
   AS % OF TOTAL EXPORTS (1981)    9% (1982)    7% (1983)    9%

MAJOR IMPORTS(1983)MACH.TRANSP EQ ,MFRD GOODS      FOOD

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  214  (1983)  192  (1984)  208
   AS % OF TOTAL IMPORTS (1981)    9% (1982)    9% (1983)    8%

TRADE BALANCE($ MILLIONS, U.S.)(1981)  2,292(82)  1,762(83) 1,813

TRADING PARTNERS: JAPAN ,UNITED STATES ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    24.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983)    143
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   3.4%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   3.0% (1978)   5.1% (1985)  3.4%

POPULATION IN URBAN AREAS............(1970)     5%   (1983)   25%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     46

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (    .)    . %

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 44.7% (15-64YRS) 52.8% (65+ YRS)  2.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 115

PEOPLE PER PHYSICIAN................. (1980)  1,903

MAJOR CAUSES OF
DISEASE (1980) MALARIA          ,INTESTINAL INFEC,INFLUENZA
DEATH.. (1978) ACCIDENTS        ,ACUTE RESP. INFE,ENTERIC DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (    .)     .%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976)  32%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL  67.6   MALE  82.7    FEMALE  52.0
SECONDARY........ (1982)  TOTAL  20.4   MALE  19.6    FEMALE   6.8
POST SECONDARY.. (1980)  TOTAL   0.7   MALE   0.9    FEMALE   0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     3818%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY OMAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	5.6	0.7	15.5	15.1	15.0	54.0	*	24.0
Loans	-	-	7.5	12.5	10.0	30.0	*	-
Grants	5.6	0.7	8.0	2.6	5.0	24.0	-	24.0
a. A.I.D. and Predecessor Agencies	5.0	-	15.0	15.0	15.0	50.0	*	20.0
Loans	-	-	7.5	12.5	10.0	30.0	*	*
Grants	5.0	-	7.5	2.5	5.0	20.0	-	20.0
(Economic Support Fund)	5.0	-	15.0	15.0	15.0	50.0		
b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Loans	-	-	-	-	-	-	-	-
Grants	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Peace Corps	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	25.0	25.0	30.1	30.1	40.1	150.3	51.5	98.8
Credits or Loans	25.0	25.0	30.0	30.0	40.0	150.0	51.5	98.5
Grants	*	*	0.1	0.1	0.1	0.3	-	0.3
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	25.0	25.0	30.0	30.0	40.0	150.0	51.5	98.5
c. Military Assistance Service Funded (MASF) Grants	*	*	0.1	0.1	0.1	0.3	-	0.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	30.6	25.7	45.6	45.2	55.1	204.3	51.5	122.8
Loans	25.0	25.0	37.5	42.5	50.0	180.0	51.5	98.5
Grants	5.6	0.7	8.1	2.7	5.1	24.3	-	24.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

* [illegible]

ECONOMIC PROGRAMS BY ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL..........	0.0	15.0	23.3	108.3
IBRD	0.0	15.0	23.0	100.0
IFC	0.0	0.0	0.0	2.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	5.5
OTHER-UN	0.0	0.0	0.3	0.8
EEC	0.0	0.0	0.0	0.0

OMAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	5.0	5.0	5.0
Loans	15.0	4.57	13.8
Totals	20.0	9.57	18.8

Development Overview

Prior to 1970, Oman was an isolated, undeveloped country, resisting efforts to modernize, with most of the population engaged in agriculture and fishing. Physical infrastructure was almost totally lacking. Health, education, and other social services were virtually non-existent. Fifteen years under the present Sultan have brought about striking changes in the country. Oman is now a nation tied together by an impressive system of roads, ports, and airports. The number of Omanis in school has risen from a few hundred to over 160,000. Health services are available in over 130 health facilities throughout Oman.

Oil remains the dominant sector of Oman's economy. Proven oil reserves are small by regional standards; oil resources of 4 billion barrels will last for about 22 years at current rates of production. The country has countered declining oil prices by increasing production to 550,000 barrels per day. Projects implemented under Oman's 1981-85 Five Year Plan are being reduced in scope, postponed, or extended over a longer period of implementation. Budget deficits in 1983-85 were met with external aid and commercial eurodollar loans totalling $700 million.

Oman's economic challenge is to diversify its economy by developing non-oil sources of revenue to meet the eventual decline and exhaustion of its oil resources. Agriculture and fisheries, two likely sectors for development, now account for only two to three percent of Gross Domestic Product, although they also account for 61 percent of total employment of Omanis. Modern economic development started in Oman only 15 years ago, and the pace of development has far exceeded the number of trained Omanis for the modern sector. The economy now relies heavily on expatriates, who accounted for 38.9 percent of government employment in 1983 and an even larger share of private sector employment. In addition to diversifying the economy, the government is faced with the difficult task of further developing basic infrastructure and services in the urban and rural areas that can be staffed and maintained in the future by trained Omanis in the face of reduced oil revenue. The harsh and extremely arid climate, the lack of water, the scarcity of proven resources other than oil, and the poorly trained labor force make Oman's development a difficult task.

U.S. Interests and Objectives

Oman occupies a strategic location on the Arabian Peninsula, commanding the southern side of the Strait of Hormuz and bordering on major oil-producing states. The United States has a vital interest in maintaining free passage through the Strait and ensuring stability among the states in this volatile

OMAN

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	8,930	28,540	19,630
Grants	4,451	6,650	7,250
Total AID	13,381	35,190	26,880
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	13,381	35,190	26,880

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

and crucial region. Oman is providing important support for the U.S. military response capability in Southwest Asia by allowing U.S. forces to use certain Omani facilities under agreed conditions. Moreover, Oman has taken moderate positions on international issues. It is one of the few countries in the region to support the Egypt-Israel Treaty.

When the original facilities access agreement was to be signed, the United States and Oman added a development dimension to the predominantly military relationship by creating a Joint Commission on Economic and Technical Cooperation. Under the terms of the August 1980 agreement establishing the Joint Commission, the United States provides annually, subject to Congressional authorization and appropriation, both grant funds to support the operations and technical assistance activities of the Commission and loan assistance to finance specific development projects. The Commission and its projects are intended to provide tangible evidence to the Omani population of the benefits of Oman's relationship with the United States.

A.I.D. Assistance Strategy

The ability of the Government of Oman to continue its constructive role in regional and international affairs depends significantly on its continued progress in developing the country's economy to meet the needs of its people. The United States' assistance strategy is to support Omani development objectives through a program of technical and capital assistance that focuses on the country's priority problems: the scarcity of water; the need for sources of foreign exchange and national revenue beyond the oil sector; and the need for skilled, trained Omanis to take positions in the private and public sectors now held by expatriates. Although U.S. assistance is small in relation to Oman's total resources available for development, U.S. assistance is significant because it is carefully directed to help Oman address its most difficult development problems.

A.I.D. Program (FYs 1985-1986)

A.I.D.'s activities are programmed and managed by the Omani-American Joint Commission. The Commission has as co-chairmen the U.S. Ambassador to Oman and the Omani Undersecretary of Foreign Affairs. An Omani official is Managing Director of the Commission; the A.I.D. Representative is his counterpart. In addition five A.I.D. American staff members are part of the Commission's staff of twelve who work on project development, implementation, and Commission management.

In the water resources development sector the Commission's first major project, the Wadi al-Khawd Aquifer Recharge Dam, was completed on time and within the amount budgeted. This technology transfer project built a dam, the first of its kind in Oman, to test and demonstrate the concept of retarding the flow of excess rain water to allow this water, which would otherwise run into the sea, to soak into underground aquifers. Design of the Commission's new Water Resources Development Project (272-0104) was initiated in FY 1985. The initial funding for this project will be obligated in FY 1986. This five-year project will be directed toward institution building activities for the Omani agencies responsible for the water sector, toward additional transfer of U.S. technology for water management, and toward articulation of water policy.

In the human resources development sector a third loan was added to the School Construction Project (272-0103) in FY 1985, increasing to 80 the number of elementary and intermediate schools to be constructed. All schools are under construction and will be completed in FY 1986. All can be staffed and equipped upon opening. The Scholarship and Training Project (272-0101.2) is providing short and long-term training for Omanis in the U.S. and in Oman and is providing technical assistance in developing and monitoring training programs in high priority development sectors: health, education, and water resources, among others. Two hundred eighty Omanis have received training in the U.S. to date. This project received most of the grant funding in FY 1985-86.

In developing non-oil revenue sources, the Fisheries Development Project (272-0101.1) continued to provide a U.S. advisory team of seven advisors to assist the government develop its capacity to manage its fisheries resources and to foster the responsible use of fisheries resources by artisanal fishermen and by the private sector, especially private sector production for export. In FY 1986 the project expanded to include assistance to the newly constructed Marine Science and Fisheries Research Center. A consortium of U.S. universities provided a team of advisors to assist the government to open the Center and to develop the institutional capacity to run the Center in the longer term.

Requested Year Program (FY 1987)

In FY 1987 grant and loan funds are requested to finance Joint Commission activities. Loan terms are 5 percent interest, payable over 20 years with a five-year grace period. A small portion of the grant funds will support the operations of the Commission and finance short-term technical assistance and activities which foster the transfer of U.S. technology. The bulk of the grant funds will be allocated to the Scholarship and Training Project to fund graduate and undergraduate training in the U.S. and short-term training in the U.S. and Oman.

The loan funds will be committed as the second in a series of loans to finance the Water Resources Development Project which started in FY 1986. The project will assist the Government of Oman to manage and develop all sources of water for productive uses. Major components of the project include the preparation of a National Water Management Plan, a master plan for the long-term development of water and wastewater in the Capital Region, and pilot water/wastewater projects in several small towns and rural villages.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: OMAN

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
OMANI-AMERICAN JOINT COMMISSION		G	272-0101	80	C	25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
WADI AL KHAWD AQUIFIER RECHARGE		L	272-0102	92	82	7,500	7,500	7,500	6,972	---	830	---	---
SCHOOL CONSTRUCTION		L	272-0103	83	85	37,500	37,500	37,500	9,000	---	27,610	---	7,630
WATER RESOURCES DEVELOPMENT		L	272-0104	86	88	---	45,000	---	---	4,570	100	13,800	12,000
TOTAL FOR ACCOUNT						70,000	140,000	70,000	21,897	9,570	35,190	18,800	26,880
GRANTS						25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
LOANS						45,000	90,000	45,000	15,972	4,570	28,540	13,800	19,630
TOTAL FOR COUNTRY						70,000	140,000	70,000	21,897	9,570	35,190	18,800	26,880
GRANTS						25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
LOANS						45,000	90,000	45,000	15,972	4,570	28,540	13,800	19,630

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* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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PAKISTAN

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COUNTRY:  (391) PAKISTAN                              FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     99,199

PER CAPITA GNP.......... (DOLLARS,1983)        390

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.5%

ANNUAL RATE OF INFLATION (1973-83) 11.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1971)   8.4%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL 51.0  MALE 51.8  FEMALE 50.1
                       (1970)   TOTAL 46.0  MALE 47.1  FEMALE 44.9

ADULT LITERACY RATE  (1981)   TOTAL  26%  MALE  36%  FEMALE  15%

--------------
*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)   0.9%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    25%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      344


MAJOR CROP(S)
  SUBSISTENCE: WHEAT ,CORN ,PULSES                   ARABLE LAND  YEAR
  CASH: RICE ,COTTON ,VEGETABLES                           53%   (1984)
                                                           27%   (1984)
MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,COTTON ..

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    54%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)      2,652 (79)      3,066 (80)        4,033
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)      3,990 (79)      4,884 (80)        5,381
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)     -1,338 (79)     -1,818 (80)       -1,348
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978) 34.5% (79) 31.6% (80) 33.6%
  AS % OF GNP................. (1978)  5.1% (79)  5.0% (80)  5.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982) 1,526 (83) 2,729 (84) 1,068
  EQUIVALENT TO  4.1 MONTHS OF IMPORTS (1983)

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*FOREIGN TRADE*
----------------
MAJOR EXPORTS(1983)RICE           ,COTTON AND PROD.

EXPORTS TO U.S.
   ($ MILLIONS, US. FOB) (1982)  169  (1983)  192  (1984)  263
   AS % OF TOTAL EXPORTS (1981)    9% (1982)    8% (1983)    7%

MAJOR IMPORTS(1983)CRUDE PETROLEUM,

IMPORTS FROM U.S.
   ($ MILLIONS, US. CIF) (1982)  538  (1983)  506  (1984)  637
   AS % OF TOTAL IMPORTS (1981)   10% (1982)   10% (1983)   10%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -2,946(82) -3,404(83)-2,716

TRADING PARTNERS: JAPAN ,UNITED STATES ,SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    41.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)...................................... (1983)   831
   AS % OF EXPORT EARNINGS (DEST SERVICE RATIO).... (1983)  28.9%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   2.7% (1978)   2.9% (1985)  2.6%

POPULATION IN URBAN AREAS.............(1970)    25%   (1985)   31%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)     44

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1980)   6.4%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 43.5% (15-64YRS) 53.5% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 125

PEOPLE PER PHYSICIAN................. (1980)  3,478

MAJOR CAUSES OF
DISEASE (1981) AMOEBIASIS      ,TUBERCULOSIS    ,TYPHOID FEVER
DEATH.. (1974) MALARIA         ,PARASITIC DISEAS,INFECTIOUS DIS.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    91%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981)  35%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  41.9   MALE  52.5    FEMALE  29.1
SECONDARY....... (1981)  TOTAL  18.7   MALE  26.1    FEMALE   9.7
POST SECONDARY.. (1978)  TOTAL   1.7   MALE   2.4    FEMALE   0.9

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     66.0%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PAKISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	58.6	76.8	200.2	278.7	307.4	5857.5	1377.6	4479.9
Loans	47.5	47.5	81.5	114.5	122.5	3541.4	1377.6	2163.8
Grants	11.1	29.3	118.7	164.2	184.9	2316.1	-	2316.1
a. A.I.D. and Predecessor Agencies	-	-	100.3	200.0	225.0	3282.7	934.1	2348.6
Loans	-	-	34.2	67.0	75.0	2199.1	934.1	1265.0
Grants	-	-	66.3	133.0	150.0	1083.6	-	1083.6
(Economic Support Fund)	-	-	100.0	200.0	225.0	1114.8		
b. Food for Peace (PL 480)	58.1	76.1	97.5	75.8	79.0	2489.4	443.4	2046.0
Loans	47.5	47.5	47.5	47.5	47.5	1342.2	443.4	898.8
Grants	10.6	28.6	50.0	28.3	31.5	1147.2	-	1147.2
Title I – Total Sales Agreements	47.5	47.5	47.5	47.5	47.5	2101.9	443.4	1658.5
Repayable in U.S. Dollars – Loans	47.5	47.5	47.5	47.5	47.5	861.7	170.5	691.2
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	1240.2	272.9	967.3
Title II – Total Grants	10.6	28.6	50.0	28.3	31.5	387.5	-	387.5
Emerg. Relief, Econ. Develop. & World Food Program	10.6	28.6	50.0	28.3	31.5	325.2	-	325.2
Voluntary Relief Agencies	-	-	-	-	-	62.3	-	62.3
c. Other Economic Assistance	0.5	0.5	2.7	2.9	3.4	85.4	0.1	85.3
Loans	-	-	-	-	-	0.1	0.1	-
Grants	0.5	0.5	2.7	2.9	3.4	85.3	-	85.3
Peace Corps	-	-	-	-	-	7.3	-	7.3
Narcotics	0.5	0.5	2.7	2.9	3.4	10.2	-	10.2
Other	-	-	-	-	-	67.8	-	67.8
II. MILITARY ASSISTANCE – TOTAL	-	-	0.6	260.8	300.8	1275.8	44.1	1231.7
Credits or Loans	-	-	-	260.0	300.0	567.6	44.1	523.5
Grants	-	-	0.6	0.8	0.8	708.2	-	708.2
a. MAP Grants	-	-	-	-	-	650.3	-	650.3
b. Credit Financing – FMS	-	-	-	260.0	300.0	567.6	44.1	523.5
c. Military Assistance Service Funded (MASF) Grants	-	-	0.6	0.8	0.8	26.7	-	26.7
d. Transfers from Excess Stocks	-	-	-	-	-	26.8	-	26.8
e. Other Grants	-	-	-	-	-	4.4	-	4.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	58.6	76.8	200.8	539.5	608.2	7133.3	1421.7	5711.6
Loans	47.5	47.5	81.5	374.5	422.5	4109.0	1421.7	2687.3
Grants	11.1	29.3	119.3	165.0	185.7	3024.3	-	3024.3
Other U.S. Government Loans and Grants	-	-	-	-	66.9	423.8	396.8	27.0
a. Export-Import Bank Loans	-	-	-	-	66.9	293.8	246.3	47.5
b. All Other Loans	-	-	-	-	-	130.0	150.5	20.5-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	581.1	656.0	1093.2	6667.2
IBRD	75.2	131.9	433.0	1570.3
IFC	90.2	25.3	39.9	261.5
IDA	228.8	174.5	245.3	2222.8
IDB	0.0	0.0	0.0	0.0
ADB	180.1	312.1	375.0	2145.6
AFDB	0.0	0.0	0.0	0.0
UNDP	6.8	12.6	0.0	141.9
OTHER-UN	0.0	0.0	0.0	145.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	150.0	104.0	608.0
Japan	107.6	92.7	717.4
Germany, Fed. Rep.	77.5	28.2	344.5
Canada	49.5	57.1	322.2
United Kingdom	32.8	25.2	253.4
Other	96.2	46.3	554.0
Total	513.6	353.5	2,799.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1970-83
99.0	N.A.	610.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	275	n/a	1,210
Eastern Europe	-	-	150
Total	-	-	1,360

PAKISTAN

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	83,000	37,800	-	-	-	-	45,200	-
Grants	167,000	-	12,200	-	-	-	154,800	-
Total	250,000	37,800	12,200				200,000	
1986								
Loans	87,000	2,500	-	-	-	-	84,500	-
Grants	176,250	8,500	6,500	6,500	-	-	154,750	-
Total	263,250	11,000	6,500	6,500			239,250	
1987								
Loans	92,000	-	-	-		-	92,000	-
Grants	183,000	13,200	8,800	-	3,000	-	158,000	-
Total	275,000	13,200	8,800		3,000		250,000	

FY 1987
PROGRAM HIGHLIGHTS

- Continue support for the Agriculture and Energy Sectors.
- Continue assistance in the Population, Health and Rural Development sectors.
- Continue policy dialogue on pricing and regulatory reforms especially in agriculture and energy.
- Continue to accelerate cost recovery through higher user fees in irrigation, energy and health to increase internal financing and reduce subsidies.
- Continue emphasis on reduction of opium poppy cultivation, the role of the private sector and the special development needs of Baluchistan and the Northwest Frontier Province.

PAKISTAN

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	56,406	91,500	124,500
Grants	66,986	282,867	148,463
Total AID	123,392	374,367	272,963
P.L. 480 **			
Title I	59,000	50,000	50,000
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480	59,000	50,000	50,000
Total AID and P.L. 480	182,392	424,367	322,963

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title :						
Wheat						
Rice						
Feedgrains						
Vegoil	75,000	59,000	96,000	50,000	94,000	50,000
Non-food						
Title I Total	75,000	59,000	96,000	50,000	94,000	50,000
(of which Title III is)						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	75,000	59,000	96,000	50,000	94,000	50,000

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PAKISTAN

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	43	43	43
PASA[b]	5	6	4
TOTAL	48	49	47

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	90	303	393	245	661	906	466	900	1,366
Regional[e]	1	10	11	-	-		-	-	
TOTAL	91	313	404	245	661	906	466	900	1,366

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	17	17	-	52	52	12	175	187
Regional[e]	-	-		-	24	24	-	4	4
TOTAL		17	17		76	76	12	179	191

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

PAKISTAN

Development Overview

Pakistan's economy during 1984-85 set a record for GDP growth at 8.4 percent. Agriculture led the way with 9.9 percent growth based mainly on a record cotton crop. The high level of GDP growth represents mostly a recovery from 1984's depressed performance of 3.4 percent which was due in large part to a massive failure in the cotton crop.

Pakistan's annual GDP growth has averaged above 6 percent in recent years, higher than the South Asia average of 4 percent. At the same time Pakistan has had to make heavy expenditures relating to: the presence of over two million Afghan refugees; the modernization of defense capabilities; and high imports of petroleum and vegetable oil. Improved fiscal management by the Government of Pakistan (GOP) and the initiation of economic liberalization have allowed Pakistan to continue its overall economic growth. However, balance of payments difficulties are intensifying due to sluggish export growth, reduced remittances from overseas workers and weak domestic resource mobilization. Restricted energy availability for industry and agriculture, and a likely increased capital/output ratio will make it difficult to sustain the past rate of macro-level performance.

Against the general background of positive economic performance there are a number of unresolved policy concerns which affect longer term development prospects. These are concentrated in five areas: (1) investment pricing regulatory policies in the manufacturing and agricultural sectors which hamper productivity and investment; (2) inefficient public sector ownership and management in both the production and distribution of goods; (3) inadequate resource mobilization, reflected in low user charges for services, combined with spiralling recurrent expenditure requirements and the lack of private sector financing of social services; (4) weak support for health and family planning in spite of the fact that the population will double in less than a generation; and (5) lack of a coordinated education program to address very low literacy rates.

United States Interests and Objectives

The fundamental U.S. interest in South Asia is to promote the stability and peaceful development of the region. A.I.D. assistance to Pakistan is designed to promote the country's economic and political stability and security as part of that overall objective. Pakistan remains key to efforts to prevent the consolidation of Soviet power in Afghanistan and to bring about the withdrawal of Soviet forces as part of a negotiated settlement. The geographic position of Pakistan as a front-line state in this effort places special financial requirements on the government for national security and refugee assistance, further complicating its efforts toward economic development. The purpose of providing A.I.D. assistance to Pakistan is to help offset these burdens and thus contribute to Pakistan's economic and political stability.

PAKISTAN

As a reflection of Pakistan's importance to U.S. interests, a unique six year agreement on military and economic assistance between the GOP and the U.S. was formulated in 1981. This commitment is contributing significantly to Pakistan's economic vitality and political self-confidence. The United States is strengthening Pakistan's capacity to withstand the challenge from Soviet-occupied Afghanistan and its ability to seek peaceful and cooperative relations with its neighbors. Specifically U.S. economic assistance aims to:

- Reinforce Pakistan's ability to resist Soviet political and military pressure, give succor to over two million Afghan refugees, and lead international diplomatic efforts to secure the peaceful withdrawal of Soviet forces in Afghanistan;
- Support the Government of Pakistan in its efforts to control narcotics production and trafficking;
- Encourage Pakistan's participation in promoting regional political stability and economic development efforts and its willingness to play a constructive role in such multilateral organizations as the United Nations, the non-aligned movement, and the Islamic conference;
- Foster a sense of national identity and purpose by enhancing economic and social development, improving living standards, especially in rural areas, and supporting the development of functioning national institutions.

A.I.D. Assistance Strategy

U.S. economic assistance constitutes a major development effort whose basic objectives are to provide Pakistan with needed short-term balance of payments support and to promote long-term economic and social development. Primary direct and indirect beneficiaries of this assistance are the millions of rural and urban poor.

A.I.D.'s program is designed to help provide adequate foreign exchange resources to meet the demands of structural change and economic liberalization resulting from A.I.D. policy dialogue efforts. The program is strategically focussed upon the critical development policy constraints cited above.

The composition of A.I.D.'s program reflects United States and Pakistan agreements on long-term developmental priorities. These center on the agriculture and energy sectors, with the social sector focus on family planning and public health interventions. Substantial U.S. assistance is directed to Pakistan's two poorest but strategically important provinces, Baluchistan and the Northwest Frontier Province (NWFP).

PAKISTAN

A.I.D. Program FYs 1985-1986

The current A.I.D. program consists of Economic Support Funds (ESF), Development Assistance and PL 480 Title I food aid. FY 1985 and FY 1986 represent the fourth and fifth years of the current six-year program. FY 1986 plans call for the authorization of two new projects. The program will also accelerate the implementation of the twenty projects currently underway.

A. Agriculture and Rural Development

Sixty two percent of A.I.D.'s $1.6 billion program (FY 1982 through FY 1987) will be focused on food, agriculture and rural development. Projects in this sector are strengthening agricultural education, research and extension services; rehabilitating and improving the management and maintenance of irrigation systems and farm-to-market roads; and increasing agricultural production, storage, and distribution. Some projects also contribute to narcotics suppression and support the development of backward regions to increase regional participation in the national economy. PL 480 Title I food aid provides needed vegetable oil, and generates local currency used to support development activities.

Funds previously provided through the Agricultural Research project (391-0296) strengthened Pakistan's institutional base for coordinating agricultural research activities and financed advanced academic training for more than 100 Pakistani agricultural scientists. An evaluation of this project provided the information necessary to design the Management of Agricultural Research and Technology project (391-0489) authorized in FY 1984. The evaluation noted, inter alia, that institution building is a long-term process requiring a lengthly commitment and that appropriate facilities and management are necessary to create a conducive environment for conducting research. This project, utilizing the evaluation findings, is developing a national agricultural research network of provincial and federal research institutions and universities. The research network is setting priorities and coordinating research activities. Emphasis is placed on land use, increased agricultural productivity in the country's arid zones, improved communications, training, and increased productivity in wheat and maize cultivation.

Transformation and Integration of the Provincial Agricultural Network (TIPAN) project (391-0488) is integrating agricultural research with university-level agricultural education in the Northwest Frontier Province. TIPAN is improving the quality of education offered and research undertaken by the Agricultural University at Peshawar, and strengthening linkages with agricultural extension through a problem-solving, farmer-oriented outreach program. Twenty-five percent of the personnel and other resources of the university are devoted to an outreach program. The project will enroll 140 individuals for degree training at U.S. universities and will provide 65 short-term participants with non-degree training during this eleven year project. It will offer a total of 89 long-term and 46 short-term training opportunities during the approved first phase (1984-1990).

The Food Security Management project (391-0491), begun in FY 1984, is improving the analytical and policy formulation framework, managerial capabilities, and the physical capacity of the GOP to manage the national food security system effectively and efficiently. The project has three related sub-projects: Economic and Policy Analysis (EPA), Agricultural Data Collection (ADC), and Post-Harvest Management (PHM). The EPA sub-project is establishing an economic analysis network to coordinate and implement an increased quantity of policy relevant economic analyses by Pakistani institutions. It is also conducting special studies to address key policy issues in the food grains and ration shop systems. The ADC sub-project is modifying the existing agricultural statistics collection system to make it more accurate and efficient. The PHM sub-project has focused on improved management of both public and private sector storage systems. PHM will finance storage management and operations training; rehabilitation of approximately 700 thousand MT of cereal grain storage structures; and improved storage pest control.

Under the On-Farm Water Management project (391-0413), A.I.D. has helped improve over 1,300 watercourses, and assisted in the precision leveling of 75,000 acres of farm land. Over 50,000 rural farmers with small and medium sized holdings directly benefitted from these improvements. Experience gained from this project -- particularly with respect to recurrent costs and user charges -- was used in designing the Irrigation Systems Management project (391-0467). The latter project (which is co-financed with the World Bank) will rehabilitate 3,500 kilometers of surface drains and 14,000 kilometers of canals. This project will benefit half a million farmers with land holdings of less than 12.5 acres. Project components include (1) policy/planning management improvements in the irrigation system receiving principal financial support; (2) improved water management research; and (3) a Command Water Management (CWM) program co-financed with the World Bank. This program covers 500,000 acres in seven command areas located in all four provinces. CWM will increase agricultural production and farmers' income. The major innovation of this activity is to facilitate and involve farmer and local community participation in the operation and maintenance of the irrigation system and increase coordination among government departments.

The Agricultural Commodities and Equipment project (391-0468) continues to finance the importation of food and commodities which are needed to increase agricultural productivity -- particularly fertilizer, wheat and irrigation rehabilitation equipment. The project also finances agricultural equipment imports by the private sector. This project and the continuing PL 480 Title I food program constitute approximately two-thirds of A.I.D.'s quick-disbursing assistance for balance of payments support. These two projects provide A.I.D. with an important framework for agricultural policy discussions with the GOP. Fertilizer policy accomplishments to date include: implementation of uniform public and private sector marketing incidentals (storage, transport and handling subsidizes paid to the FDFI - Federal Directorate of Fertilizer Imports) for imported fertilizer, dockside access to imported fertilizer by private distributors, an increased private sector market share in distribution, and an increase in retail fertilizer prices to reflect more accurately the actual cost of fertilizers.

The Forestry Planning and Development project (391-0481) is strengthening the ability of the federal and provincial governments to work with local communities and private farmers to design, implement, and evaluate policies and programs for increasing fuelwood and timber production, primarily on small private farms. Project activities include training, research and field operations. Forty thousand acres of tree plantations will be established on underutilized farm land. Private nurseries will be developed to support these plantings.

The Tribal Areas Development project (391-0471) is strengthening the capacity of local institutions to implement development activities in the extremely rugged and semi-autonomous tribal areas of the country. The project finances the construction of roads, small irrigation works, as well as schools and teacher's quarters.

The Baluchistan Area Development project (391-0479), begun late in FY 1984, will accelerate the integration of the Makran Division in Baluchistan Province, one of Pakistan's least developed areas, into the economic mainstream of the country. It is focusing on the management and conservation of water resources, the rehabilitation of the existing primary road network, and manpower training.

B. Narcotics

Elimination of opium poppy cultivation in Pakistan is an important U.S. foreign policy objective. A primary concern of A.I.D.'s five year Northwest Frontier Area Development project (391-0485) is to facilitate and complement the Government of Pakistan's enforcement effort within a process of rapid socio-economic development of the major poppy producing areas of the Northwest Frontier Province (NWFP). The project, in the Gadoon-Amazai area of the NWFP, includes technical assistance and financing for the introduction of new crops and agronomic practices, establishment of a productive manpower base through skilled training, and infrastructure development including construction of roads, electrification of villages, irrigation/potable water supply systems and education/health facilities. In the remaining provincial opium poppy producing areas of the province, project funds are financing similar activities as a part of a multinational donor effort coordinated by the United Nations Fund for Drug Abuse and Control (UNFDAC). This umbrella project is called the Special Development and Enforcement Program (SDEP).

PAKISTAN

C. Population and Health

A.I.D's projects in the health and population sectors are designed to control the incidence of malaria, strengthen Pakistan's capability to provide primary health care services, and assist the GOP in mounting an effective, nationwide family planning program. Pakistan's 2.9 percent population growth rate continues to be a major constraint to increasing the benefits from the country's economic development. Under the Population Welfare Planning project (391-0469) in 1985 assistance has been provided which has led to a substantial improvement in the availability of contraceptive supplies. As a result, community clinics are fully resupplied while distribution to clients has increased. The GOP fully approved the establishment of the new National Institute of Population Studies. Support for this Institution is provided by the project as part of the larger effort to strengthen the GOP's capacity to analyze and evaluate population variables. The GOP has begun efforts to more actively involve the private sector in the provision of family-planning services. A coordinating council for non-governmental organizations (NGO) operating population programs has been established and has granted about $500,000 to fund domestic NGO's. The Social Marketing of Contraceptives project (391-0484) received full cabinet-level approval including authorization to use the media. This project is designed to assist a private sector company develop sound marketing and distribution practices of contraceptives. Proposals from marketing and technical-advisory firms have been received and negotiations begun with the top ranked firms.

Under the Malaria Control II project (391-0472), more than eight thousand metric tons of insecticide have been provided to date for Pakistan's anti-malaria spraying campaign. This resulted in the spraying of nearly 60,000 localities, providing malaria protection to more than 60 million people. The current project objective is to assist the GOP in redirection of program strategy to one which decreases dependence on house-spraying with insecticides while at the same time maintaining an acceptable low level of malaria transmission. The project is also addressing the increasing incidence of falciparum malaria in Pakistan as well as the twin problems of increasing mosquito resistance to some insecticides and the emerging chloroquine resistant strains of malaria parasites.

A.I.D.'s Primary Health Care project (391-0475) is strengthening primary health care program management, providing training to medical technicians and community health workers, and improving overall research and evaluation activities in the health sector. More than 3.5 million people are expected to benefit directly from the project. It is intended to increase the quality and quantity of health care services available in the rural areas. Thirteen paramedic training schools will be constructed. The training curriculum for medical technicians is being revised to incorporate field modules with clinical curricula and to place more emphasis on preventive and promotive activities. The project is supporting a communication campaign for control of diarrheal diseases and is funding the training of frontline health workers in the use of oral rehydration therapy.

D. Energy

The energy sector is critical to sustained growth of the Pakistan economy. Oil imports continue to grow and represent nearly 50 percent of export earnings. In recent years, demand for energy has far out-stripped supply, causing severe setbacks to the economy in terms of forced shutdowns in industry due to electricity and gas load shedding. This has resulted in significant production losses and increased unemployment. A.I.D.'s energy-related projects will increase the country's electricity generating capacity, improve the management of electricity distribution, develop Pakistan's indigenous energy resources (particularly coal), increase the supply of fuelwood, improve energy planning and conservation, and increase the efficiency of the power system by cutting transmission losses and providing technical assistance and training to the nation's Water and Power Development Authority (WAPDA).

The Rural Electrification project (391-0473) assists the GOP in meeting its overall energy needs and brings electricity for both productive and social uses to Pakistan's rural areas. The project is focused on institutional and infrastructure reform and development needed to expand the supply of electricity to rural areas. A major reorganization of the distribution function of WAPDA is in progress as a result of this project. One component of the project (in collaboration with the Asian Development Bank) is financing the construction of a 450 megawatt combined cycle generation plant, which will increase Pakistan's electrical supply by nearly 10 percent and help reduce Pakistan's serious deficit in electricity production. Another component addresses the issues of electricity losses during transmission and distribution which is due to antiquated electrical equipment and illegal diversion. The project provides technical assistance to help develop Pakistan's Rural Electrification Master Plan. USAID assistance for rural expansion will not be provided until adequate generation capacity is added to the system. In addition, upgraded training is being designed to assist in implementation of the project and the Master Plan.

The Energy Planning and Development project (391-0478), provides an overall framework for improvement of Pakistan's national energy policies. It assists the GOP in formulating and implementing programs to plan, develop and use Pakistan's indigenous energy resources and increase the efficiency of energy use. The project is developing analytical skills of Pakistani energy sector professionals through technical assistance, manpower development and on-the-job training. Increasing the use of coal in Pakistan's energy sector is being promoted through accelerated coal resource assessment, the use of coal briquettes, and the Lakhra coal-fired power plant project feasibility design work. With regard to the latter, A.I.D. has taken the lead financing role in preparing a total feasibility study for Pakistan's first major coal-fired power plant. This project includes a private sector role in supplying coal to the power plant. This is expected to establish the foundation for coal fired power plants using indigenous coal resources.

The Lakhra feasibility study is scheduled for completion in early 1986. If findings are positive, the project will probably be approved and obligated in early FY 87. Energy conservation measures, an idea to which the GOP has shown a strong positive response, have become a major component of the project. The project also has funds for commercialization of energy technologies to use Pakistan's abundant renewable energy resources (e.g., small hydro-power).

The Energy Commodities and Equipment program, (391-0486) begun in FY 1984 also supports Pakistan's efforts to exploit its domestic energy resources and bring the private sector more fully into energy exploration, production, and distribution. This program provides direct balance of payments support for the GOPs Sixth Five Year Plan by providing fast disbursing foreign exchange resources for importation of energy related commodities and equipment for both the private and public sectors. The commodities to be imported are: energy conservation and fuel switching, power sector, coal mining and processing, and oil and gas exploration. This program contributes to a reduction in energy waste by conservation measures in both private and public sectors, and by increased participation of the private sector in meeting energy requirements and in transfering energy related technologies to Pakistan.

E. Other Programs

The Commercial Funding & Investment Corporation (CFIC) project (391-0482), now scheduled for authorization in FY 1986, is intended to assist in the capitalization of a private sector financial institution. This intervention in the financial system complements a wide range of activities through which A.I.D. supports the GOP in its efforts to expand the role of the private sector in meeting Pakistan's overall investment, production, and employment targets.

The Development Support Training project (391-0474) finances short and long-term training for Pakistani managers, administrators and technicians from both the public and private sectors. Ultimately, 1,600 men and women will receive various kinds of professional training under this project. Thus far 248 persons have been provided short and long term training under this project.

The Project Design and Implementation Fund (391-0470) finances some technical assistance required to design and implement projects in the A.I.D. portfolio. It is also utilized for technical and related assistance to implement the recommendations of the joint GOP-Donor Implementation Task Force and to carry out special policy studies and evaluations.

The Road Resources Management project (391-0480) scheduled to begin in FY 86 will assist the Sind Province to establish a maintainable rural roads system on a pilot basis, as well as identify, analyze, and promote policy, management and financial reforms needed to achieve a sustainable road system nationwide.

PAKISTAN

Requested Year Program (FY 1987)

Under the six year $1.625 billion agreement between the United States and Pakistan, A.I.D. requests Economic Support Funds, Development Assistance and P.L. 480 for the Pakistan program in FY 1987. These funds will be used primarily to sustain our ongoing programs in the three major sectoral areas of concentration. Additional funds will be required to continue A.I.D.'s support for improved irrigation management at all levels within the water distribution systems, for the additional phases of the program to modernize and expand the Northwest Frontier Agricultural University, for continued support to malaria control and population activities, and for the fertilizer, energy and agricultural equipment funded through the commodity import programs.

In keeping with A.I.D.'s social sector objectives, FY 1987 funding will sustain the Baluchistan Area Development project, and continue funding A.I.D.'s innovative Social Marketing of Contraceptives project which seeks to harness market forces and the private sector to broaden the distribution and sale of contraceptive materials. The Tribal Area Development project will also receive further funding.

In FY 1987 we will again provide $50 million in P.L. 480 Title I assistance to assist Pakistan in meeting domestic demand for edible oils. As in past years, PL-480 Title I local currency generations will be used for critical development projects.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PAKISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	PY OF INITIAL OBLIG	PY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURAL COMMODITIES AND EQUIPMENT	L	391-0468	82	86	41,300	41,300	37,800	---	2,500	18,000	---	19,800
TRANSFORM INTEGRATE PROVINCIAL AG NETWOR	G	391-0485	84	88	---	8,500	---	---	---	---	6,200	---
MGT OF AGRICULTURAL RESEARCH AND TECH	G	391-0489	84	87	---	12,000	---	---	5,500	---	7,000	2,000
TOTAL FOR ACCOUNT					41,300	61,800	37,800	---	11,000	18,000*	13,200*	21,800
GRANTS					---	20,500	---	---	8,500	---	13,200	2,000
LOANS					41,300	41,300	37,800	---	2,500	18,000	---	19,800
POPULATION PLANNING												
POPULATION WELFARE PLANNING	G	391-0469	82	87	12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
TOTAL FOR ACCOUNT					12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
GRANTS					12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PRIMARY HEALTH CARE	G	391-0475	82	86	---	13,000	---	---	6,500	---	---	2,453
TOTAL FOR ACCOUNT					---	13,000	---	---	6,500	---	---	2,453
GRANTS					---	13,000	---	---	6,500	---	---	2,453
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT SUPPORT TRAINING	G	391-0474	83	87	---	6,500	---	---	---	---	3,000	---
TOTAL FOR ACCOUNT					---	6,500	---	---	---	---	3,000	---
GRANTS					---	6,500	---	---	---	---	3,000	---
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
AGRICULTURAL RESEARCH	G	391-0296	69	82	3,200	3,200	3,200	2,937	---	263	---	---
ON-FARM WATER MANAGEMENT	G	391-0413	77	83	10,000	10,000	10,000	4,050	---	3,379	---	2,600

*Refers to the planned project summary sheet

©Level of effort activity

PY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the PY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PAKISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
IRRIGATION SYSTEMS MANAGEMENT	G	391-0467	83	88	90,000	90,000	52,900	9,929	---	10,447	22,100	9,731
AGRICULTURAL COMMODITIES AND EQUIPMENT	G	391-0468	82	86	182,000	182,000	172,000	56,279	10,000	124,671	---	7,314
AGRICULTURAL COMMODITIES AND EQUIPMENT	L	391-0469	82	86	151,700	151,700	125,200	94,000	26,500	14,000	---	36,200
POPULATION WELFARE PLANNING	G	391-0469	82	87	27,800	44,800	27,800	14,242	12,250	969	6,200	9,812
PROJECT DESIGN FUND	G	391-0470	82	87	15,000	18,300	15,000	6,597	---	5,300	3,300	4,000
TRIBAL AREAS DEVELOPMENT	G	391-0471	82	87	15,000	24,000	13,000	1,327	---	4,784	9,000	7,000
MALARIA CONTROL II	G	391-0472	82	86	41,000	41,000	35,500	18,644	5,500	13,318	---	11,713
RURAL ELECTRIFICATION	G	391-0473	82	88	43,000	64,000	37,000	11,703	8,000	14,300	9,000	10,000
RURAL ELECTRIFICATION	L	391-0473	82	88	104,000	115,000	61,000	32,727	27,000	28,500	27,000	52,500
DEVELOPMENT SUPPORT TRAINING	G	391-0474	83	87	10,000	25,000	10,000	3,696	5,000	3,725	7,000	2,500
PRIMARY HEALTH CARE	G	391-0475	82	86	20,000	13,500	13,500	2,024	---	6,295	---	2,000
ENERGY PLANNING AND DEVELOPMENT	G	391-0478	83	87	30,000	30,000	19,100	6,187	10,900	12,531	---	6,726
BALUCHISTAN AREA DEVELOPMENT	G	391-0479	84	87	40,000	49,500	11,100	180	17,500	2,507	20,900	3,643
ROADS RESOURCES MANAGEMENT	G	391-0480	86	88	---	40,000	---	---	1,100	500	33,900	4,500
FORESTRY PLANNING AND DEVELOPMENT	G	391-0481	83	87	25,000	25,000	10,000	532	8,000	1,900	7,000	3,050
COMMERCIAL FUNDING AND INVESTMENT CORP.	L	391-0482	86	87	---	30,000	---	---	16,000	---	10,000	15,000
SOCIAL MARKETING OF CONTRACEPTIVES	G	391-0484	84	87	20,000	20,000	8,500	1,729	7,200	2,192	6,300	3,099
NWFP AREA DEVELOPMENT	G	391-0485	83	87	30,000	30,000	16,200	2,653	13,800	5,194	---	5,048
ENERGY COMMODITIES AND EQUIPMENT	G	391-0486	84	86	20,000	50,000	26,000	---	24,000	50,000	---	---
ENERGY COMMODITIES AND EQUIPMENT	L	391-0486	84	86	80,000	50,000	35,000	---	15,000	31,000	---	19,000

[*] Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PAKISTAN

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
LAKHRA COAL POWER GENERATION	*	G	391-0487	87	88	---	38,000	---	---	---	---	10,000	6,500
LAKHRA COAL POWER GENERATION	*	L	391-0487	87	88	---	87,000	---	---	---	---	55,000	8,000
TRANSFORM INTEGRATE PROVINCIAL AG NETWOR		G	391-0488	84	88	35,500	27,000	6,000	654	10,000	2,904	4,300	2,639
MGT OF AGRICULTURAL RESEARCH AND TECH		G	391-0489	84	87	30,000	18,000	10,000	674	1,500	6,130	3,000	2,650
FOOD SECURITY MANAGEMENT		G	391-0491	84	87	35,000	45,000	7,000	351	20,000	9,421	18,000	7,423
TOTAL FOR ACCOUNT						1,058,200	1,322,000	725,000	271,104	239,250	353,930	250,000	242,648
GRANTS						722,500	888,300	503,800	144,377	154,750	280,430	158,000	111,948
LOANS						335,700	433,700	221,200	126,727	84,500	73,500	92,000	130,700
TOTAL FOR COUNTRY						1,111,700	1,428,500	775,000	271,104	263,250	376,130	275,000	274,901
GRANTS						734,700	953,500	516,000	144,377	176,250	284,630	183,000	124,401
LOANS						377,000	475,000	259,000	126,727	87,000	91,500	92,000	150,500

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: PAKISTAN

PLANNED PROGRAM SUMMARY SHEET

Title Lakhra Coal Mine Development and Coal-Fired Thermal Power Generation Project	**Funding Source** ESP	**AG, RD & N**	**Health**	**PROPOSED OBLIGATION** *(In thousands of dollars)* FY 1987 65,000		**Life of Project Funding** 125,000
Number 391-0487 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	**Population**	**ED. & HR**	**Sel. Act.**	**Initial Obligation** FY 1987	**Estimated Final Obligation** FY 1987

Estimated Completion Date of Project: FY 1991

Purpose: To develop the indigenous coal industry in Pakistan, to enhance private sector participation in the development of a modern coal industry, and to install the first of a series of large-scale thermal power generation units using indigenous coal.

Project Description The shortage of electric power is one of Pakistan's most serious obstacles to development.

The current A.I.D.financed Lakhra Coal Mine and Power Generation Feasibility studies are designed to establish to the satisfaction of potential donor agencies, e.g. the World Bank, Asian Development Bank and A.I.D. that the project is technically, economically and financially feasible to develop coal mines. Feasibility studies are examining 300 MW and 350 MW size plants may also include a determination of whether or not environmentally acceptable and socially sound manner.

This project will also assist Pakistan to develop the Lakhra Coal Field and to design and construct the first of a series of large power plants fired with Lakhra coal. The project will consist of two major components. The coal mining component will assist Pakistan to develop the Lakhra coal field through surface and possibly underground mining. The power generation component will assist Pakistan to construct the first of a series of large power plants fired by Lakhra coal.

Relationship of the Project to A.I.D. Country Strategy: This project assists Pakistan provide the energy required to sustain self-reliant agro-business and industrial development. Power made available through the project will be used to meet the rising energy requirements for farms, land reclamation programs, electrification of villages and for the establishment of agro-based small-scale and cottage industries in rural areas.

The project offers an excellent opportunity to address a number of key policy issues that the Government of Pakistan (GOP) faces in providing sufficient energy supplies to achieve its economic growth targets.

Host Country and Other Donors: Pakistan's Sixth Five-Year Plan assigns a high priority to energy development and encourages the role and participation of the private sector in development.

Discussions are underway with the GOP, the World Bank and the Asian Development (ADB) regarding the joint financing of the foreign exchange cost of the project.

Beneficiaries: All sectors of the national economy will benefit from the project. Electricity generated at Lakhra will be connected to the national grid and serve the needs of Karachi, Pakistan's largest urban center, and surroundings.

A.I.D.-Financed Inputs	Life-of-Project ($ million)
- Fx costs of boiling/steam generator system	47.6
- Fx costs of A/G Services and Construction Management	23.1
- Training	7.0
- Institutional Development	5.0
- Operations Management	3.0
Contingency	9.1
Escalation	25.0
Interest During Construction	5.2

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	65,000	60,000	125,000

Principal Contractors or Agencies

PHILIPPINES

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                                                       FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (492) PHILIPPINES

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     56,808

PER CAPITA GNP........., (DOLLARS,1983)        760

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.9%

ANNUAL RATE OF INFLATION (1973-83) 11.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975)   5.5%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 65.4  MALE 63.5  FEMALE 67.3
                    (1970)   TOTAL 59.0  MALE 57.4  FEMALE 60.5

ADULT LITERACY RATE  (1980)   TOTAL  83%  MALE  84%  FEMALE  83%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                               (1975-1984)  -0.5%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1984)    25%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1984)       494


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,RICE ,ROOTS AND TUBERS          60%   (1984)
  CASH: COCONUTS ,SUGARCANE ,BANANAS                 32%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCONUTS ,RAW SUGAR ,BANANAS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)    50%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1982)     4,474 (83)      4,104 (84)       3,422
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1982)     6,160 (83)      4,779 (84)       4,021
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1982)    -1,686 (83)       -675 (84)        -599
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1982) 10.6% (83) 11.8% (84)  9.4%
  AS % OF GNP................. (1982)  1.7% (83)  1.7% (84)  1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982) 1,711 (83)   884 (84)   880
  EQUIVALENT TO  1.8 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1984)SEMICONDUCTORS ,COCONUT OIL    ,ELEC MICROCIRCU

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,576  (1983)1,785  (1984)2,003
   AS % OF TOTAL EXPORTS (1982)   31% (1983)   36% (1984)  37%

MAJOR IMPORTS(1984) PETROLEUM     , MACHINERY     , ELECTRC EQUIP

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,861  (1983)1,831  (1984)1,713
   AS % OF TOTAL IMPORTS (1981)   29% (1982)   27% (1983)  25%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,646(83) -2,485(84)  -679

TRADING PARTNERS: UNITED STATES ,JAPAN ,MALAYSIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    36.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).................................. (1983) 1,252
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  25.0%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.9% (1978)   2.5% (1983)  2.5%

POPULATION IN URBAN AREAS............(1970)    33%   (1985)   39%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    40    (1983)     34

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)  33.0%

POPULATION (1985) IN AGE GROUP:
                    (0-14YRS) 40.2% (15-64YRS) 56.9% (65+ YRS)  3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  53

PEOPLE PER PHYSICIAN................ (1980)  7,966

MAJOR CAUSES OF
DISEASE (1978) INFLUENZA        ,ENTERITIS      ,BRONCHITIS, ETC.
DEATH.. (1978) PNEUMONIA        ,TUBERCULOSIS   ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1982)    89%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1983)  73%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL   105   MALE   106    FEMALE   104
SECONDARY....... (1982)  TOTAL  43.8   MALE  32.8    FEMALE  34.8
POST SECONDARY.. (1980)  TOTAL  21.5   MALE  19.7    FEMALE  23.3

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)    16.1%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PHILIPPINES

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	83.3	97.6	107.1	102.8	106.3	2506.7	314.5	2192.2
Loans	31.1	28.4	25.6	24.3	23.1	696.6	314.5	382.1
Grants	52.2	69.2	81.5	78.5	83.2	1810.1	-	1810.1
a. A.I.D. and Predecessor Agencies	59.7	68.5	89.4	86.8	84.3	1099.1	95.0	1004.1
Loans	31.1	28.4	25.6	24.3	23.1	450.6	95.0	355.6
Grants	28.6	40.1	63.8	62.5	61.2	648.5	-	648.5
(Economic Support Fund)	20.0	30.0	50.0	50.0	50.0	395.3		
b. Food for Peace (PL 480)	18.8	24.1	12.6	10.7	17.1	479.1	102.2	376.9
Loans	-	-	-	-	-	142.8	102.2	40.6
Grants	18.8	24.1	12.6	10.7	17.1	336.3	-	336.3
Title I - Total Sales Agreements	-	-	-	-	-	155.5	102.2	53.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	123.1	86.5	36.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	32.4	15.7	16.7
Title II - Total Grants	18.8	24.1	12.6	10.7	17.1	323.6	-	323.6
Emerg. Relief, Econ. Develop. & World Food Program	3.9	4.5	1.6	1.2	0.1	53.2	-	53.2
Voluntary Relief Agencies	14.9	19.6	11.0	9.5	17.0	270.4	-	270.4
c. Other Economic Assistance	4.8	5.0	5.1	5.3	4.9	928.5	117.3	811.2
Loans	-	-	-	-	-	103.2	117.3	-14.1
Grants	4.8	5.0	5.1	5.3	4.9	825.3	-	825.3
Peace Corps	4.8	5.0	5.1	5.3	4.9	80.9	-	80.9
Narcotics	-	-	-	-	-	0.9	-	0.9
Other	-	-	-	-	-	743.5	-	743.5
II. MILITARY ASSISTANCE – TOTAL	75.5	75.6	51.2	51.4	51.5	1258.6	179.8	1079.8
Credits or Loans	50.0	50.0	50.0	50.0	50.0	344.1	179.8	164.3
Grants	25.5	25.6	1.2	1.4	1.5	914.5	-	914.5
a. MAP Grants	25.0	25.0	-	-	-	610.2	-	610.2
b. Credit Financing - FMS	50.0	50.0	50.0	50.0	50.0	344.1	179.8	164.3
c. Military Assistance Service Funded (MASF) Grants	0.5	0.6	1.2	1.4	1.5	39.5	-	39.5
d. Transfers from Excess Stocks	-	-	-	-	-	98.1	-	98.1
e. Other Grants	-	-	-	-	-	166.7	-	166.7
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	158.8	173.2	158.3	154.2	157.8	3765.3	494.3	3271.0
Loans	81.1	78.4	75.6	74.3	73.1	1040.7	494.3	546.4
Grants	77.7	94.8	82.7	79.9	84.7	2724.6	-	2724.6
Other U.S. Government Loans and Grants	27.8	69.1	8.4	-	78.8	1034.9	926.4	108.5
a. Export-Import Bank Loans	27.8	69.1	8.4	-	78.8	724.6	573.4	151.2
b. All Other Loans	-	-	-	-	-	310.3	353.0	-42.7

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	757.3	523.3	448.0	6883.2
IBRD	502.7	183.2	254.0	4308.8
IFC	5.6	0.0	48.1	218.1
IDA	0.0	0.0	0.0	122.2
IDB	0.0	0.0	0.0	0.0
ADB	235.2	337.8	145.9	2120.2
AFDB	0.0	0.0	0.0	0.0
UNDP	3.0	2.8	0.0	68.4
OTHER-UN	10.5	0.0	0.0	45.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	65.0	141.0	450.0
Japan	160.0	174.0	847.3
Germany, Fed. Rep.	20.9	36.0	108.5
Australia	15.6	14.9	70.9
Belgium	7.6	3.2	31.2
Other	39.5	20.8	147.3
Total	308.6	389.9	1,655.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
2.3	N.A.	13.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	80
Total	-	-	80

PHILIPPINES

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	* Other Programs	
							ESF	Other
1985								
Loans	18,817	16,250	0	0	0	2,567	0	-
Grants	156,559	9,583	0	4,500	300	1,200	140,000	976
Total	175,376	25,833	0	4,500	300	3,767	140,000	976
1986								
Loans	0	0	0	0	0	0	0	-
Grants	138,505	12,030	0	4,840	300	1,710	119,625	-
Total	138,505	12,030	0	4,840	300	1,710	119,625	
1987								
Loans		0	0	0	0	0	0	-
Grants	118,000	13,850	4,000	1,450	650	3,050	95,000	-
Total	118,000	13,850	4,000	1,450	650	3,050	95,000	

* Disaster Relief Assistance

FY 1987
PROGRAM HIGHLIGHTS

A. Development Assistance: ($23 Million)
- Improve policy and institutional framework to increase rural productivity; Develop private sector institutions to support rural enterprise growth.
- Improve access to and cost-effective services for maternal & child survival; Strengthen family planning activities and epidemiological surveillance.

B. Economic Support Fund: ($95 Million)
Balance of payments support for agriculture, rural enterprise and productive infrastructure.

C. P.L. 480 ($7.7 Million)
Title II, MCH and school feeding activities

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RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	6,579	20,131	18,064
Grants	70,596	94,156	156,524
Total AID	77,175	114,287	174,588
P.L. 480 **			
Title I	40,000	35,000	–
(of which Title III is)	(–)	(–)	(–)
Title II	11,543	7,723	7,682
Total P.L. 480	51,543	42,723	7,682
Total AID and P.L. 480	128,718	157,010	182,270

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	189,000	25,000		
Rice	154,000	40,000	33,000	10,000		
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	154,000	40,000	222,000	35,000		
Title II [1]						
Voluntary Agencies	48,092	11,543	38,296	7,723	38,296	7,682
Government - to - Government	–	–	–	–	–	–
Title II Total	48,092	11,543	38,296	7,723	38,296	7,682
Total P.L. 480	202,092	51,543	260,296	42,723	38,296	7,682

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PHILIPPINES

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	36	37	37
PASA[b]	0	0	0
TOTAL	36	37	37

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	43	59	102	30	98	128	21	76	97
Regional[e]	4	0	4	4	0	4	2	0	2
TOTAL	47	59	106	34	98	132	23	76	99

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	19	19	0	79	79	0	38	38
Regional[e]	115	403	518	110	540	650	110	580	690
TOTAL	115	422	537	110	619	729	110	618	728

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

PHILIPPINES

Development Overview

The Philippines is in its worst economic crisis of the postwar era. Real gross national product (GNP) declined by 5.3 percent in 1984 and continues to fall. The following declines are projected for 1985: real GNP - 5.5 percent, investment - 17 percent, and industrial production - 13 percent. Real GNP per capita in 1985 is about 17 percent below the 1983 level. With economic activity severely depressed, inflation declined from an annual average of about 50 percent in 1984, to an estimated 22 percent for the year 1985.

The current economic crisis stems from a confluence of factors starting with the import substitution industrial strategy adopted in the 1950s and 1960s. During this period, capital-intensive urban industries received substantial production incentives and increasing government protection from imports while the agriculture sector and small industries suffered from low investment and inadequate production incentives. In spite of these reversals, the country's rich natural resource base and availability of relatively cheap credit from foreign banks after 1973 enabled the Philippines to maintain respectable growth rates until the late 1970s.

The worldwide recession of the early 1980s exposed the structural weaknesses of the economy. Rising interest rates greatly reduced the flow of foreign loans on which the economy was dependent. With increasing debt service requirements, pressure on available foreign exchange for debt payments escalated. Likewise, lack of foreign exchange for imports caused a decline in industrial activity which is largely dependent on imported raw materials. Many businesses and financial institutions failed and the Government of the Philippines (GOP) assumed the debts of several large companies. The GOP became increasingly burdened by large budget deficits created by its assumption of these bad debts and reduced taxes from imports. The Aquino assassination in August 1983 eroded confidence in the political, investment, and credit climate, thus hastening massive capital flight and a sharp decline in availability of foreign loans from commercial sources. Unable to service its $25 billion debt, the GOP declared a moratorium on debt repayment in October 1983.

The GOP, donors and the international financial community have reached broad consensus on a package of fiscal and monetary reforms and structural policy changes necessary to stabilize the economy and, in time, to move it towards a sustainable growth path. This package is contained in the Philippines Program for Policy Action for 1985 and 1986. Stabilization elements of the program require slower monetary growth to minimize inflation, lower budget deficits through tax reforms and expenditure cutbacks, and a more flexible exchange rate to stimulate exports and minimize non-essential imports. To support GOP implementation of these measures, in late 1984 the International Monetary Fund (IMF) approved the GOP's request for an 18-month SDR 615 million Standby Credit Arrangement that cleared the way for debt rescheduling. The "Paris Club" members rescheduled about $875 million in debt in December 1984. In May 1985 commercial banks rescheduled $5.3 billion of non-trade obligations and principal payments, and agreed to provide $925 million in new money and nearly $3.0 billion for a revolving trade facility.

GOP implementation of the reform agenda has been mixed. Monetary and fiscal policy initiatives are proving moderately successful. The GOP has sharply reduced the runaway inflation of 1983/84, limited overall public capital outlays while keeping expenditures in check. Weaknesses on the revenue side of the GOP account have handicapped efforts to control the public deficit. Although prices of staple crops, rice and corn, have been deregulated, and interest rates have been increased to reflect the real cost of money, other major areas of structural reform have seen little progress. Import liberalization is evidenced largely in rhetoric, not in practice. Basic actions to dismantle monopolies and quasi-monopolies in sugar, coconuts, and wheat/flour have not been fully implemented. Reform and divestiture of public sector corporations and unsound public sector financial institutions have been the subject of much discussion but little action. Financial deregulation has made some progress, but much remains to be done. The GOP has made some efforts to restructure the public investment program, but has not settled on firm priorities. In sum, there is a well-defined and agreed agenda for reform in trade regime, finance, agriculture and public investment, but only the most limited evidence of GOP performance. The duration of the current economic contraction and the pace of eventual recovery will depend upon the degree to which the GOP musters the political will to carry out the policy reforms and structural changes needed to bring efficiency and growth to the Philippine economy.

U.S. Interests and Objectives

U.S. interests in the Philippines stem from long standing U.S. foreign policy objectives that include mutual security, economic development and promotion of a democratic form of government. The historical backdrop of the two countries is characterized by strong linkages underscored by friendly and cooperative relations.

It is the intention of the U.S. Government to maintain and enhance this relationship. To this end, U.S. interests in the Philippines focus on three primary objectives. The first is to actively support efforts leading to revitalization of the country's democratic institutions. In doing so, it is our belief that the democratic process will provide a viable and peaceful means to accommodate constructive social reforms. A corollary to this is implicit in the second objective which seeks to encourage and buttress short- and long-term economic recovery measures to promote stability and broadly-based economic growth. The third objective is to support the professionalization of the Armed Forces of the Philippines through security assistance. Along with revitalization of the country's democratic institutions and its economy, a highly professional military is essential to cope with increasing insurgency. Within this framework, A.I.D. activities focus directly on the second objective while indirectly contributing to the first objective.

U.S. Assistance Strategy

The long-term goal of U.S. assistance is to improve the well-being of the majority of Filipinos by supporting conditions necessary for self-sustaining and equitable economic growth. The strategy to achieve this goal has three basic components: macroeconomic; agriculture and rural enterprise; and population, health, and nutrition.

The Macroeconomic Strategy focuses on programs and policies designed to overcome the current severe economic crisis and to give the Philippine economy a solid foundation for growth. Our DA assistance will support the conditions and reforms contained in the GOP's agreements with the IMF and World Bank. Policy dialogue is an essential component of the strategy; A.I.D. stresses the importance of the IMF and World Bank programs in direct discussions with the GOP and with other donors. In addition to macroeconomic policy dialogue efforts, A.I.D. provides financial assistance to alleviate selected macroeconomic problems while simultaneously achieving development objectives.

Agriculture and Rural Enterprise is the centerpiece of A.I.D. strategy because it has great potential for growth and is a stated GOP priority. A.I.D. has a comparative advantage in this sector. In the short term the sector has been plagued by poor weather, unfavorable world prices, and shrinking credit availability. These short term problems add to longer term problems arising from urban biased development policies, adverse terms of trade for rural producers, and limited access by the majority of rural people to resources and markets. The strategy has four elements: agricultural policy reform; agricultural development; rural enterprise development; and local government and rural infrastructure.

The policy reform strategy involves: careful A.I.D. analysis of policy issues; identification of critically needed reforms; flexible use of U.S. assistance; donor collaboration in support of reforms; sustained efforts to ensure that reforms are implemented; and improved GOP capability to undertake policy analysis. The first reforms A.I.D. is addressing include rural credit delivery systems and deregulation of markets for agricultural inputs and commodities.

Agricultural development and growth of rural enterprises are mutually reinforcing. The agricultural development strategy emphasizes increased investment in research and extension, irrigation management, and environmental conservation. The rural enterprise strategy involves both direct assistance to private sector as well as development of GOP institutions and policies that encourage the growth of rural enterprises.

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The local government and rural infrastructure strategy focuses on enhancing the capabilities of local governments to undertake participatory development activities; to mobilize and manage resources; and to plan, implement and maintain rural infrastructure.

The Population, Health, and Nutrition Strategy is primarily concerned with improving both the supply and demand for these services, particularly in rural areas. Rapid population growth is a serious obstacle to long-term economic development. The A.I.D. population strategy has three basic thrusts: policy dialogue leading to national consensus on the need for a strong population program; improving GOP collaboration, program organization, and execution; and exploring alternative mechanisms for supporting private sector services. The Health strategy focuses on reducing mortality and morbidity by improving effectiveness of rural primary health care, i.e., encouraging needed health policy reforms, demonstrating viability of private sector financing schemes, improving cost-effectiveness of current services, implementing better epidemiological surveillance, and adapting new biomedical technologies.

ESF Programming is significantly influenced by the linkage between the military bases agreement and Philippine Economic Support Funds (ESF). During FY 1980-1984, the A.I.D. and GOP strategy allocated ESF primarily to areas around the military bases for construction of rural infrastructure such as schools, roads, markets, town drainage systems, and municipal slaughterhouses. In FY 1985 the strategy shifted; A.I.D. obligated $47.5 million for rural infrastructure nationwide and an additional $92.5 million to support selected donor-assisted rural development projects throughout the Philippines.

A.I.D. is prepared to obligate up to half of FY 1986 ESF for program assistance; the other half will support local government and rural infrastructure development nationwide. For FY 1987 and beyond, ESF programming will continue to support overall U.S. assistance strategy in the Philippines by addressing constraints to sustained economic growth, particularly in agriculture and rural enterprise. ESF programming decisions will be made within the context of a continuing policy dialogue with the GOP in coordination with other donors.

A I.D. Program FY 1985-1986

A. Macroeconomic

Policy dialogue with the GOP and other donors contributes to implementation of the conditions and reforms of the IMF Standby Agreement, the World Bank's structural adjustment program and the GOP's Program for Policy Action. A.I.D. stresses macroeconomic objectives through annual Consultative Group (CG) Meetings as well as through meetings of the *Ad Hoc* subcommittee of the CG. Furthermore, A.I.D. consults regularly with the IBRD and Asian Development Bank (ADB) concerning their projects and the macroeconomic reform process.

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The Rural Productivity Support Program (492-0383) and Development Support Program (492-0400), both initially obligated in FY 1985 with ESF funds, provide the GOP with $92.5 million to help assure timely implementation of key foreign-assisted (AID, IBRD and ADB) development projects at a time of GOP budget austerity. In addition, the DA financed Technology Transfer for Energy Management Project (492-0381) seeks to lower future demand for foreign exchange by reducing the bill for imported energy. The project focuses on improving energy efficiency in private sector industrial and commercial enterprises.

B. Agriculture and Rural Enterprise

The A.I.D. strategy in this sector is being implemented through a number of activities which involve policy reform, institutional development, the private sector, and construction of rural infrastructure.

The DA funded Rural Financial Services Project (492-0394), which is associated with the IBRD's Agricultural Credit Project, will introduce policy and institutional reforms essential for strengthening the rural financial system. The Central Bank is establishing market-oriented interest rates and rediscounting, as well as other policy and procedural changes to in an effort to improve domestic resource mobilization and to expand and strengthen financial intermediation between private commercial banks and private borrowers in rural areas.

The new Accelerated Agricultural Production Project (492-0385), also DA financed, will strengthen the economic, technical and market support conditions essential for sustained growth in the agricultural sector. The project will operate as a sector program, building on past A.I.D. investment and assistance. The three major components are: (1) policy development and implementation; (2) agricultural research, verification and dissemination; and (3) subsector investments in areas such as irrigation operations and maintenance, fertilizer, price stabilization programs for food grains, and agricultural export diversification.

The FY 1985 PL 480 Title I agreement provides a framework for introducing market liberalization measures in key areas of the agriculture and food sectors. Self-help measures contained in the agreement provide for deregulation of importation, distribution and pricing of key commodities such as rice, wheat/flour, and fertilizer. Additional self-help measures include improved procedures for announcing support prices for rice and divestiture of two food-related public enterprises. Local currency proceeds from the sale of PL 480 commodity imports will support agricultural research, rice price stabilization programs, improved performance of fertilizer and grain marketing systems, and small-scale infrastructure development.

A.I.D. is continuing its DA supported institutional development efforts in agricultural research and extension. Twelve agroforestry pilot sites and six farming systems sites of the Rainfed Resources Development Project

(492-0366) are testing approaches to improve community-based management of rainfed agricultural areas. Studies of ongoing community-level resource management systems are underway along with biotechnology research and training and policy analysis. Implementation has accelerated following a streamlining of the project decision making process and improving coordination among GOP agencies.

The Farming Systems Development Project - Eastern Visayas (492-0356) made substantial progress in identifying constraints to improving productivity in the rainfed areas. A mid-term evaluation indicates more involvement of farmers in problem identification and introduction of change into existing farming systems. Institutional linkages for research and training have been established between six field research sites and the Visayas State College of Agriculture. An FY 1986 amendment supports more technology verification activities and development of appropriate extension approaches for farming systems technology.

In response to implementation problems revealed by the A.I.D. monitoring system, A.I.D undertook a comprehensive evaluation of the Small Farmer Systems II Project (492-0334) which resulted in adding technical assistance to improve the institutional capacity of the GOP implementing agency.

A.I.D. also undertook a comprehensive assessment of the technical, economic and institutional feasibility of each component of the Rural Energy Development Project (492-0375) in 1985. Assessment findings led to decisions to eliminate the wood-fired power plants component, continue development of the charcoal production component, and limit the gasifier component to improving performance of existing units.

In the area of private sector support, A.I.D. emphasizes: improving the policy environment for private sector growth; developing private sector institutions and processes to support rural enterprise growth; and providing financial and technical assistance to the private sector. The Small and Medium Enterprise Development (SMED) Project (492-0359) is piloting several innovative activities for developing private sector institutions and processes to support rural enterprise growth. Results of a major FY 1986 SMED evaluation are being used to determine final design of the Private Enterprise Promotion Project (492-0377) which will extend and further develop ideas piloted under SMED. The new Private Sector Development Activities Project (492-0395) provides direct assistance to private firms to facilitate new development activities.

Support to Philippine and American Private Voluntary Organizations (PVOs) under the PVO Co-Financing II Project (492-0367) increased from about $2 million in FY 1984 to over $3 million in FY 1985 and FY 1986. The grants support a variety of private sector rural development activities involving agriculture, rural enterprise, health, and training.

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Improved local government administration and infrastructure development are critical to economic development in rural areas. An in-house project assessment of the Local Resource Management Project (492-0358) concluded that training greatly enhanced the ability of both local officials and project beneficiaries to plan and implement local development activities. An improved management information system is tracking beneficiary involvement in decentralized planning and decision making.

The existing ESF funded Regional Development Fund Project (492-0374), Municipal Development Fund Project (492-0361), and Markets Project (492-0365) continue to assist local governments to provide necessaryinfrastructure such as roads, schools, markets, drainage, and health facilities. The new Local Government and Infrastructure Development and Maintenance Project (492-0391) will support local governments in planning, implementing and maintaining priority rural infrastructure activities.

C. Health, Population, and Nutrition

In this sector, programs contribute to improving access to and cost-effectiveness of services focused on maternal and child survival. The Population Planning III Project (492-0341) finances an outreach program, contraceptive purchases, clinical programs, natural family planning, and private sector family planning activities. The level and shape of future assistance in population will be dependent upon findings of the FY 1986 evaluation, discussions and dialogue with GOP, World Bank, and U.N. Fund for Population Assistance, and GOP sector plans for 1987-92.

Under the Primary Health Care Financing Project (492-0371) several research and service entities are studying ways to improve cost effectiveness and to test financing schemes. In addition to providing commodities, service-related activities, and training, a new Oral Rehydration Therapy (ORT) component will transfer the production and distribution of Oral Rehydration Salts from the GOP to the private sector. Results of a FY 1986 project evaluation will be used to direct project resources to priority areas.

As a new activity, the USAID Mission plans to support a Vitamin A research program, the findings of which could contribute to the reduction of childhood morbidity. Funds will be used to pay local expenses for such a program.

The FY86 Technology Development for Primary Health Care Project (492-0386) will enhance targetting of health services by improving epidemiological surveillance and planning. It also will increase effectiveness of child survival services by supporting biomedical research on new technologies for diagnosis, treatment and prevention of infant and childhood diseases.

The Barangay Water II Project (492-0333) has experienced implementation problems, though over 600 rural water systems have been constructed. As a result of these problems A.I.D. undertook an indepth evaluation with a view toward efficient completion of A.I.D. assistance to rural water activities. However, the evaluation identified ways to overcome implementation problems and recommended developing a new rural water project. A.I.D. is assessing this possibility.

The FY 1985 PL 480 Title II program provided food for maternal child health services and school feeding. The FY 1986 program is supplying food for similar purposes. In response to a special appeal from the Catholic Church, A.I.D. is providing substantial rice rations to low income Manila families through the Catholic Relief Services.

Requested Year Program FY 1987

A. Macroeconomic

A.I.D. will identify opportunities to program ESF resources to address macroeconomic problems through the utilization of ESF as program assistance.

B. Agriculture and Rural Enterprise

To support agricultural strategy objectives. A.I.D. requests continued financing of: the Accelerated Agricultural Production Project (492-0385); Farming Systems Development- Eastern Visayas Project (492-0356); and Training and Development Issues Project (492-0340) which aims to improve GOP ability to analyze policies affecting agriculture, rural development, and other sectors.

To implement A.I.D.'s private sector strategy, funds are requested to continue the Private Sector Development Activities Project (492-0395), The Private Enterprise Promotion Project (492-0377), and The PVO Co-Financing II Project (492-0367).

To support the economic growth potential of rural areas, A.I.D. requests continued funding to improve local government institutions and infrastructure through the Local Resources Management Project (492-0358), and the ESF-funded Local Government and Infrastructure Development and Maintenance (492-0391), and Project Design (492-0343) projects.

C. Population, Health and Nutrition

A.I.D. requests funds to pursue its population strategy by initiating a new Population Sector Support Project (492-0396) that will provide program assistance based upon progress toward mutually agreed upon objectives. To implement the health and nutrition strategy, we request funds to continue activities under the Technology Development for Primary Health Care Project (492-0386) and maintain food distribution levels under the P.L. 480 Title II Program.

PHILIPPINES

D. Selected Development

A.I.D. requests funds, through initiation of a new Financial Management Improvement Project (492-0403), to assist the GOP in introducing more efficient and decentralized financial management systems to support rural growth. Funds are also requested for the Technology Transfer for Energy Management Project (492-0381) to complete planned support for energy activities.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PHILIPPINES

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
VITAMIN A RESEARCH	G	492-YYYY	86	86	---	880	---	---	880	---	---	---
AGRICULTURE RESEARCH II	L	492-0286	79	81	10,000	8,044	8,319	7,962	---	85	---	---
BICOL INTEGRATED AREA DEV III (RINCONADA	L	492-0289	79	80	5,000	3,501	3,501	2,175	---	350	---	---
RURAL SERVICE CENTERS	G	492-0304	78	84	2,987	2,790	2,790	2,461	---	120	---	---
BICOL INTEGRATED AREA DEV II (BULA)	L	492-0310	78	78	3,000	2,241	2,241	2,091	---	---	---	---
SMALL FARMER SYSTEMS II	G	492-0336	81	86	1,250	1,250	820	214	180	787	250	---
SMALL FARMER SYSTEMS II	L	492-0334	81	86	7,100	4,600	4,600	2,886	---	597	---	---
PVO CO-FINANCING I	G	492-0345	80	83	3,831	3,184	3,185	2,261	---	740	---	---
FARMING SYSTEMS DEV-EASTERN VISAYAS	G	492-0356	81	87	2,321	4,321	2,321	1,175	1,000	548	1,000	148
FARMING SYSTEMS DEV-EASTERN VISAYAS	L	492-0356	81	87	1,600	1,600	1,600	774	---	190	---	62
LOCAL RESOURCES MANAGEMENT	G	492-0358	82	87	3,680	6,680	3,680	289	---	1,000	1,500	138
LOCAL RESOURCES MANAGEMENT	L	492-0358	82	87	10,220	10,220	10,220	789	---	1,250	---	1,150
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	G	492-0359	83	83	1,500	1,500	1,500	27	---	405	---	610
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	L	492-0359	83	83	13,500	13,500	13,500	203	---	1,500	---	2,000
RAINFED RESOURCES DEVELOPMENT	G	492-0366	82	87	6,852	9,852	4,852	304	1,000	771	1,500	500
RAINFED RESOURCES DEVELOPMENT	L	492-0366	82	87	20,200	17,400	17,400	960	---	1,358	---	2,400
PVO CO-FINANCING II	G	492-0367	84	91	5,000	12,500	3,910	723	1,690	1,457	2,000	900
ACCELERATED AGRICULTURAL PRODUCTION	G	492-0385	86	87	---	30,430	---	---	7,030	---	7,050	3,000
RURAL FINANCIAL SERVICES	G	492-0394	85	88	2,600	2,600	2,600	---	---	250	---	625

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PHILIPPINES

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHO	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
RURAL FINANCIAL SERVICES		L	492-0394	85	88	17,400	17,400	16,250	---	---	2,000	---	3,000
PRIVATE SECTOR DEVELOPMENT ACTIVITIES		G	492-0395	86	90	---	4,750	---	---	250	---	550	250
TOTAL FOR ACCOUNT						118,041	159,243	103,189	25,794	12,030	13,408	13,850	14,783
GRANTS						30,021	80,737	25,558	7,954	12,030	6,078	13,850	6,171
LOANS						88,020	78,506	77,631	17,840	---	7,330	---	8,612
POPULATION PLANNING													
POPULATION PLANNING III		G	492-0341	81	84	28,135	17,638	17,638	11,972	---	3,200	---	3,850
POPULATION PLANNING III		L	492-0341	81	84	26,915	15,087	15,087	9,450	---	1,412	---	---
POPULATION SECTOR SUPPORT	*	G	492-0396	87	91	---	35,000	---	---	---	---	4,000	2,000
TOTAL FOR ACCOUNT						55,050	67,725	32,725	21,422	---	4,612	4,000	5,850
GRANTS						28,135	52,638	17,638	11,972	---	3,200	4,000	5,850
LOANS						26,915	15,087	15,087	9,450	---	1,412	---	---
HEALTH													
BICOL INTEGRATED HEALTH		L	492-0319	79	79	2,500	1,106	1,106	1,050	---	---	---	---
BARANGAY WATER II		G	492-0333	80	82	2,537	2,537	2,537	1,661	---	875	---	---
BARANGAY WATER II		L	492-0333	80	82	19,600	14,100	14,100	3,673	---	5,428	---	5,000
POPULATION PLANNING III		G	492-0341	81	84	1,700	1,700	1,700	18	---	---	---	---
PVO CO-FINANCING I		G	492-0365	80	83	1,500	1,500	1,500	1,047	---	130	---	---
PVO CO-FINANCING II		G	492-0367	84	91	1,500	3,375	600	83	1,840	1,000	450	120
PRIMARY HEALTH CARE FINANCING		G	492-0371	83	85	6,200	6,200	6,200	707	---	1,700	---	950
PRIMARY HEALTH CARE FINANCING		L	492-0371	83	85	10,000	9,800	9,800	306	---	3,000	---	2,250
TECHNOLOGY DVLP FOR PRIMARY HEALTH CARE		G	492-0386	86	88	---	3,300	---	---	1,000	---	1,000	800
WATER SANITATION FOR RURAL COMMUNITIES		G	492-0401	86	90	---	25,000	---	---	2,000	---	---	---

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*Refer to the planned project summary sheet

G Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PHILIPPINES

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						45,537	68,818	37,543	8,545	4,840	12,133	1,450	9,120
GRANTS						13,437	43,812	12,537	3,516	4,840	3,705	1,450	1,870
LOANS						32,100	25,006	25,006	5,029	---	8,428	---	7,250
EDUCATION AND HUMAN RESOURCES													
TRAINING AND DEVELOPMENT ISSUES		G	492-0340	83	87	1,200	1,450	1,200	140	---	238	---	171
TRAINING AND DEVELOPMENT ISSUES		L	492-0340	83	87	3,300	3,300	3,300	241	---	330	---	412
PVO CO-FINANCING I		G	492-0345	80	83	919	919	913	717	---	190	---	---
PVO CO-FINANCING II		G	492-0367	84	91	1,500	3,375	600	126	300	150	400	130
PRIVATE SECTOR DEVELOPMENT ACTIVITIES		G	492-0395	86	90	---	1,000	---	---	---	---	250	---
TOTAL FOR ACCOUNT						6,919	10,044	6,013	1,224	300	908	650	713
GRANTS						3,619	6,744	2,713	983	300	578	650	301
LOANS						3,300	3,300	3,300	241	---	330	---	412
SELECTED DEVELOPMENT ACTIVITIES													
NON-CONVENTIONAL ENERGY DEVELOPMENT		G	492-0294	78	78	1,550	1,570	1,550	1,298	---	195	---	48
NON-CONVENTIONAL ENERGY DEVELOPMENT		L	492-0294	78	78	5,600	5,600	5,600	2,453	---	2,516	---	629
PVO CO-FINANCING I		G	492-0345	80	83	750	537	537	299	---	110	---	---
PVO CO-FINANCING II		G	492-0367	84	91	2,000	3,750	800	153	360	127	650	150
PRIVATE ENTERPRISE PROMOTION		G	492-0377	86	98	---	5,000	---	---	500	---	900	400
TECH TRANSFER FOR ENERGY MANAGEMENT		G	492-0381	85	88	2,000	2,000	800	---	600	293	500	384
TECH TRANSFER FOR ENERGY MANAGEMENT		L	492-0381	85	88	3,000	3,000	2,567	---	---	115	---	1,161
PRIVATE SECTOR DEVELOPMENT ACTIVITIES		G	492-0395	86	90	---	1,250	---	---	250	100	250	150

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PHILIPPINES

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
FINANCIAL MANAGEMENT IMPROVEMENT	*	G	492-C403	87	49	---	5,000	---	---	---	---	750	---
TOTAL FOR ACCOUNT						14,900	27,687	11,854	4,203	1,710	3,456	3,050	2,922
GRANTS						6,300	19,087	3,687	1,750	1,710	825	3,050	1,132
LOANS						8,600	8,600	8,167	2,453	---	2,631	---	1,790
ECONOMIC SUPPORT FUND													
PROGRAM SUPPORT		G	492-XXXX	86	88	---	135,000	---	---	72,125	---	47,500	47,500
PROJECT DESIGN		G	492-0343	80	88	18,000	18,000	9,300	6,454	3,300	2,800	3,000	3,800
CLARK ACCESS AND FEEDER ROADS		G	492-0348	81	81	5,000	4,500	4,500	3,130	---	1,370	---	---
MUNICIPAL DEVELOPMENT FUND		G	492-0361	31	88	70,000	68,000	55,000	24,512	---	10,000	---	16,000
MARKETS		G	492-0365	82	85	21,000	21,000	21,000	10,435	---	3,200	---	4,000
REGIONAL DEVELOPMENT FUND		G	492-0374	82	88	187,000	187,000	121,500	70,566	---	15,000	---	25,000
RURAL ENERGY DEVELOPMENT		G	492-0375	82	93	25,000	6,000	6,000	4,081	---	400	---	400
RURAL PRODUCTIVITY SUPPORT PROGRAM		G	492-0383	85	85	47,500	47,500	47,500	47,500	---	---	---	---
LOCAL GOV'T & INFRASTRUCTURE DEVELOPMENT		G	492-0391	86	87	---	88,700	---	---	44,200	2,000	44,500	44,500
DEVELOPMENT SUPPORT PROGRAM		G	492-0400	85	85	45,000	45,000	45,000	---	---	45,000	---	---
TOTAL FOR ACCOUNT						418,500	620,700	309,500	164,678	119,625	79,770	95,000	141,200
GRANTS						418,500	620,700	309,500	164,678	119,625	79,770	95,000	141,200
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						658,947	954,217	500,824	225,866	138,505	114,287	118,000	174,588
GRANTS						500,012	823,718	371,633	190,853	138,505	94,156	118,000	156,524
LOANS						158,935	130,499	129,191	35,013	---	20,131	---	18,064

*Refers to the planned project summary sheet

ᶜLevel of effort activity

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PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

Title Population Sector Support		Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 4,000		Life of Project Funding 35,000
Number 492-0396 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population 4,000	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 91	Estimated Completion Date of Project FY 92

Purpose: To support the Government of Philippines (GOP) goal of increasing the prevalence of voluntary family planning.

Project Description: The GOP objective is to increase the number of current users of family planning methods by 1.54 million or 83 percent over the next decade. Achievement of this ambitious objective will require the energetic contributions of both public and private sector population program resource institutions. Since 1967 AID has provided about $100 million in population assistance to the Philippines. The impact on fertility reduction has been dissappointing suggesting the need for a new approach to assistance.

To assist achievement of GOP population objectives, A.I.D. assistance to the GOP will shift from project to program support. A.I.D. will also increase assistance to U.S. PVOs and universities in support of private sector family planning programs in the Philippines. The primary objective is to use a simple, achievement oriented mechanism to support the GOP family planning efforts. Transfer of funds will be based on achievement of program objectives. Near the end of each year, the GOP will prepare an annual report and implementation plan for the following year. At that time, a multi-donor review of the annual report and program progress will be initiated. All major donors (A.I.D., the World Bank and the United Nations Fund for Population Assistance) will be asked to participate. The review team will be supplemented as necessary with consultants whose skills match perceived program issues. The team will make two sets of annual recommendations. First, the team will recommend to A.I.D. a plan for disbursements of percentage of funds based on progress toward a mutually agreed purpose. Second, the team will provide recommendations to the GOP regarding program needs.

The secondary objective is to strengthen the contributions of private sector family planning organizations toward achievement of the GOP family planning objectives.

Relationship of Project to A.I.D. Country Strategy: The population sector support activity contributes directly to the A.I.D. strategy of reducing rapid population growth which is a serious obstacle to long term economic growth.

Host Country and Other Donors: With A.I.D., I.B.R.D., and U.N.F.P.A. population projects all scheduled to end in 1986, we will forge improved collaboration and cooperation in joint planning and evaluation. In addition we will explore the prospects for joint financing with other donors.

Beneficiaries: Primary beneficiaries will be married couples of reproductive ages (6.471 million in 1984 and a projected 8.047 million in 1993). Benefits will be lower fertility and improved maternal and child health.

Major Outputs:	All Years
Performance payments for progress toward objectives represented by such indicators as new acceptors of family planning, prevalence of voluntary family planning, or fertility rate.	X

A.I.D Financed Inputs:	Life-of-Project ($000)
Performance Payments	25,000
Private Sector Support	10,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1984	-0-	-0-	-0-
Estimated Fiscal Year 1985	-0-	-0-	
Estimated Through September 30, 1986	-0-	-0-	-0-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	4,000	31,000	35,000

Principal Contractors or Agencies

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

<table>
<tr><td colspan="2">Title
Financial Mgmt. Improvement Project</td><td>Funding Source
DA</td><td>AG, RD & N</td><td>Health</td><td colspan="3">PROPOSED OBLIGATION
(In thousands of dollars)
FY 1987 750
Life of Project Funding 5,000</td></tr>
<tr><td>Number 492-0403
☒ GRANT ☐ LOAN</td><td>☒ NEW
☐ CONTINUING</td><td>Population</td><td>ED. & HR</td><td>Sel. Act.
750</td><td>Initial Obligation
FY 1987</td><td>Estimated Final Obligation
FY 1989</td><td>Estimated Completion Date of Project
FY 1991</td></tr>
</table>

Project Purpose: To support the Government of Philippines (GOP) initiative to improve financial recording, monitoring, reporting and auditing systems at all levels of the Philippine Government.

Project Description: The project is a pilot effort to provide technical assistance and commodities to the GOP to embark on a nation-wide program to design and computerize new financial management and accounting systems for the GOP.

In order to begin this massive undertaking the GOP has indicated a preference for U.S. technical assistance and computer equipment. The new system will include all accounting transactions as input, many standard reports as well as the capacity to develop non-standard reports, summarization of financial information, automated input of the summary information to the next highest organizational level, and sub-systems to audit all components of the system. The government envisions that the design of the pilot financial system will take approximately two years and that the installation, testing and implementation of the system will take an additional three years to complete. The pilot will be tested at all levels of government from municipalities to the national account ministries such as Ministry of Finance, Office of Budget and Management and the Commission on Audit.

Relationship of Project to A.I.D Country Strategy: The principal theme of A.I.D.'s development strategy is that there are significant structural constraints which impede rural growth and the efficient use at financial and human resources. One such impediment is the almost archaic, highly centralized financial and auditing systems being used by the government. A.I.D.'s past efforts aimed at improving the technical and administrative capacities at local government to plan, finance, and carry out development activities at the village and provincial levels. Thus, our strategy focus, among other things, is on further improving the capability of local governments to provide services, including, improving the financial and auditing systems which support rural growth.

Host Country and Other Donors: The GOP initiated this proposal through its Commission on Audit which has been working for the past 18 months with the national computer center to develop eight preliminary modules needed to computerize the country's accounting systems. While initial steps have been taken, the GOP has expressed the need for assistance and advice from more experienced accounting firms. Although other donors have not expressed interest at this time, it is anticipated the world-wide financial management improvement initiative of the World Bank may support the expansion of this pilot effort.

Beneficiaries: Primary beneficiaries will be the GOP at all levels, and those individuals who directly receive the training. Other beneficiaries are the general population who will receive the benefits of a more efficient and decentralized financial management and accounting system.

Major Outputs:	All Years
National automated financial management and auditing system including long-range system expansion plans	X

A.I.D. Financed Inputs:	Life of Program ($000)
Technical Assistance	2,000
Commodities-computers, software, books, etc.	2,750
Training	250

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1984	-0-	-0-	-0-
Estimated Fiscal Year 1985	-0-	-0-	
Estimated Through September 30, 1986	-0-	-0-	-0-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	750	4,250	5,000

Principal Contractors or Agencies

826

PORTUGAL

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COUNTRY:  (150) PORTUGAL                              FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     10,265

PER CAPITA GNP.......... (DOLLARS,1983)      2,230

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.7%

ANNUAL RATE OF INFLATION (1973-83) 20.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974)   7.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1984)   TOTAL 71.7  MALE 68.9  FEMALE 74.6
                   (1970)   TOTAL 67.4  MALE 64.2  FEMALE 70.8

ADULT LITERACY RATE  (1970)   TOTAL  71%  MALE  78%  FEMALE  65%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                        (1975-1984)   0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    8%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       245


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,CORN ,PULSES                      30%   (1984)
  CASH: GRAPES ,OLIVES ,FRUIT                           29%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) WINE ,TOMATOES ..

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,COTTON ,SOYBEANS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    28%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
            (1977)      4,682 (83)      5,000 (84)      4,690
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
            (1977)      5,757 (83)      7,239 (84)      7,046
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
            (1977)     -1,075 (83)     -2,239 (84)     -2,356
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)   . % (83)  7.8% (84) 10.2%
  AS % OF GNP................. (   .)   . % (83)  2.7% (84)  2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982) 6,078 (83) 5,594 (84) 5,690
  EQUIVALENT TO  6.1 MONTHS OF IMPORTS (1983)
```

```
---------------
*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COTTON TEXTILES,CORK AND PROD  ,CANNED FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  257  (1983)  279  (1984)  453
   AS % OF TOTAL EXPORTS (1981)    5% (1982)    7% (1983)   6%

MAJOR IMPORTS(1983)PETROLEUM      ,COTTON         ,INDUSTRIAL MACH

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,026  (1983)1,143  (1984)1,070
   AS % OF TOTAL IMPORTS (1981)   15% (1982)   13% (1983)  16%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -4,847(83) -2,400(84)-2,026

TRADING PARTNERS: GERMANY, FEDER ,UNITED KINGDOM ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    54.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983) 1,853
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  35.4%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)  -0.6% (1978)   0.3% (1985)  0.5%

POPULATION IN URBAN AREAS............(1970)    26%   (1985)   34%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    20    (1985)     14

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1979)  78.0%

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 24.9% (15-64YRS) 64.5% (65+ YRS) 10.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  18

PEOPLE PER PHYSICIAN................ (1983)    487

MAJOR CAUSES OF
DISEASE (1981) HEPATITIS       ,GONORRHEA      ,SYPHILIS
DEATH.. (1979) STROKE          ,HEART DISEASE  ,SENILITY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   125%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  78%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL   120   MALE   119    FEMALE   120
SECONDARY....... (1977)  TOTAL  46.5   MALE  45.6    FEMALE  47.4
POST SECONDARY.. (1979)  TOTAL   9.0   MALE   9.4    FEMALE   8.6

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     8.8%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PORTUGAL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	78.0	25.0	20.0	20.0	40.0	948.0	686.5	461.5
Loans	38.0	-	-	-	-	691.9	486.5	205.4
Grants	40.0	25.0	20.0	20.0	40.0	256.1	-	256.1
a. A.I.D. and Predecessor Agencies	40.0	25.0	20.0	20.0	40.0	628.5	323.3	305.2
Loans	-	-	-	-	-	426.7	323.3	103.4
Grants	40.0	25.0	20.0	20.0	40.0	201.8	-	201.8
(Economic Support Fund)	40.0	25.0	20.0	20.0	40.0	487.9		
b. Food for Peace (PL 480)	38.0	-	-	-	-	319.5	163.2	156.3
Loans	38.0	-	-	-	-	265.2	163.2	102.0
Grants	-	-	-	-	-	54.3	-	54.3
Title I - Total Sales Agreements	38.0	-	-	-	-	265.2	163.2	102.0
Repayable in U.S. Dollars - Loans	38.0	-	-	-	-	261.8	159.4	102.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.4	3.8	0.4-
Title II - Total Grants	-	-	-	-	-	54.3	-	54.3
E.Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	54.3	-	54.3
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	31.9	52.9	67.4	111.2	107.9	824.4	0.9	823.5
Credits or Loans	-	-	45.0	52.5	45.0	142.5	0.9	141.6
Grants	31.9	52.8	22.4	58.7	62.9	681.9	-	681.9
a. MAP Grants	30.0	51.0	20.0	56.6	60.0	613.9	-	613.9
b. Credit Financing - FMS	-	-	45.0	52.5	45.0	142.5	0.9	141.6
c. Military Assistance Service-Funded (MASF) Grants	1.9	1.8	2.4	2.1	2.9	29.6	-	29.6
d. Transfers from Excess Stocks	-	-	-	-	-	24.1	-	24.1
e. Other Grants	-	-	-	-	-	14.3	-	14.3
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	109.9	77.8	87.4	131.2	147.9	1772.4	687.4	1285.0
Loans	38.0	-	45.0	52.5	45.0	834.4	487.4	347.0
Grants	71.9	77.8	42.4	78.7	102.9	938.0	-	938.0
Other U.S. Government Loans and Grants	48.0	67.4	-	-	-	777.8	868.8	91.0-
a. Export-Import Bank Loans	1.7	67.4	-	-	-	242.7	233.8	8.9
b. All Other Loans	46.3	-	-	-	-	535.1	635.0	99.9-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	248.0	172.3	146.2	1736.4
IBRD	166.7	72.6	66.0	1081.8
IFC	0.3	14.5	0.2	26.2
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.0	0.2	0.0	3.2
OTHER-UN	0.0	0.0	0.0	0.2
EEC	80.0	85.0	80.0	625.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	33.0	28.0	321.0
Germany,Fed. Rep.	19.2	22.2	153.1
Norway	5.1	4.6	38.7
France	8.3	5.8	20.7
Sweden	0.9	0.2	19.7
Other	1.5	1.7	20.0
Total	68.0	60.5	573.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

PORTUGAL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	80.0	76.6	80.0

Development Overview

Portugal, a founding member of the North Atlantic Treaty Organization (NATO) has important security, commercial and institutional linkages to the United States and remains a close and reliable ally. On the political front, Portugal has made significant progress since the 1974 revolution. The threat of a communist takeover was successfully resisted and parliamentary democracy has been firmly established. In December 1983, Portugal signed a new agreement with the United States which authorizes continued U.S. use of facilities in the Azores until 1991.

Despite some significant economic advances, Portugal remains the poorest country in Western Europe with an estimated per capita income in 1984 of about $1,900. Portugal's present difficult economic conditions are a legacy of its colonial-era economic policies and, in the aftermath of the 1974 revolution, the repatriation of some 700,000 refugees from former African colonies, the nationalization of key sectors of the economy, and the expansion of public sector employment and public social services.

The government dealt successfully with a balance of payments crisis in 1977 and 1978 through a stabilization program supported by the International Monetary Fund (IMF) and bilateral donors, including the United States. However, the economic situation began to deteriorate again in 1980. By 1982, the government budget deficit had reached 12 percent of the Gross Domestic Product (GDP) and inflation had accelerated to 22 percent. In response, an emergency economic stabilization program was introduced in June 1983. Negotiation of an IMF standby agreement followed. Interest rates were increased, tight credit ceilings imposed, credit subsidies reduced, public expenditures curtailed and the escudo devalued. These measures, while reducing the deficits to manageable levels (9 percent of GDP for the budget; 3 percent of GDP for the current account in 1984), threw the economy into a severe recession entailing a high social cost. Real wages declined by 10 percent in 1983, and 9 percent in 1984. Domestic inflation averaged 29.3 percent in 1984, but declined in late 1984 and 1985.

Recent Government policy has aimed at relaunching economic growth, reducing unemployment (currently 11 percent) and reducing inflation. However, major structural economic problems remain and will have to be addressed, especially in light of Portugal's anticipated entry into the European Economic Community (EEC) in 1986.

PORTUGAL

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	80,975	82,305	82,189
Total AID	80,975	82,305	82,189
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	80,975	82,305	82,189

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PORTUGAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	1	1	1
PASA [b]	2	2	1
TOTAL	3	3	2

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral [d]	15	53	68	21	55	76	21	40	61
Regional[e]	–	10	10	–	12	12	–	15	15
TOTAL	15	63	78	21	67	88	21	55	76

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral [d]									
Regional[e]									
TOTAL									

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

PORTUGAL

U.S. Interests and Objectives

Major United States interests and objectives are:

- To strengthen bilateral security cooperation;
- To help Portugal assume increased NATO responsibilities;
- To support the continuing development of democratic institutions;
- To foster Portugal's economic recovery and development; and
- To collaborate in "trilateral" A.I.D. initiatives in selected former Portuguese African colonies.

A.I.D.'S Assistance Strategy

The A.I.D. assistance program inaugurated in 1975 included training, feasibility studies for project development and investment planning, and a housing investment guaranty. This initial program was overtaken by the massive influx of returnees from former Portuguese Africa which required emergency relief and resettlement grants. Following this crisis, A.I.D. undertook project loans for social infrastructure and grants for technical assistance and training. Seven loans and two housing guarantees were made for low income housing, school construction, basic sanitation, and rural health. When the economy faltered in 1977-78, the United States loaned Portugal $300 million as part of a highly successful multilateral economic stabilization program. Since then, most U.S. assistance has been related to mutual security arrangements. Much of the funding provided has been used by the Government of Portugal for economic development in the Azores. The United States also provided emergency relief and reconstruction support following the 1980 earthquake in the Azores.

A.I.D. completed and put in operation 45 primary and secondary schools, 14 rural health centers and a nursing school in the Azores. A total of 7,400 housing units and 69 water and sewage systems were also completed. Azores earthquake rehabilitation and reconstruction was completed in 1985.

From the inception of its program in Portugal, A.I.D. emphasized technical cooperation and the development of enduring linkages between U.S. and Portuguese institutions. Important areas of collaboration were, and continue to be, business management, investment promotion, science and technology transfer, agricultural development as well as other activities designed to increase the efficiency and effectiveness of key institutions.

The A.I.D.-financed technical cooperation program is being phased down. The Agricultural Production Program will continue through FY 1987 and the Technical Consultations and the Training (T.A.) grant has been extended to cover the completion of major technical cooperation activities and provide technical support for the new Housing Guaranty Program authorized in FY 1984.

PORTUGAL

In 1985 the Government of Portugal established the Luso-American Development Foundation, which will allow for the continuation of selected technical cooperation, principally in the private sector and in the area of science and technology. A.I.D. worked closely with the Government to ensure that the Foundation would be appropriately structured and have adequate financial flexibility, within the limits of Portuguese law, to achieve its broad purpose, which is to contribute to the economic and social development of Portugal through the promotion of scientific, technical, cultural, educational, commercial and business cooperation between Portugal and the United States. To this end, the Foundation has the authority to provide assistance to activities which are designed to modernize the Portuguese economy, increase levels of investment and exports, and promote joint business ventures by the private sectors of both countries.

A.I.D. Program (FYS 1985-1986)

With the exception of cash transfer payments related to security agreements, FY 1981 was the last year for new economic assistance to Portugal. As of the end of FY 1985, only about $6.2 million under two grant-financed projects remained in the pipeline.

Using a portion of the FY 1985 cash transfer, the Government of Portugal provided the Luso-American Development Foundation with an initial endowment of $38 million. As economic cooperation with the United States continues, the Government of Portugal has indicated that it plans to provide additional funding. The Minister of Finance also requested that $2 million of the cash tranfer be added to the T.A. Grant for continuing programs and is expected to request an additional allocation for this purpose in FY 1986.

The first $25 million tranche of the planned $75 million Housing Guarantee Program was authorized by A.I.D. late in FY 1984. The first borrowing ($10 million) was contracted for in U.S. capital markets in late 1985 and the balance of the first $25 million is expected to be contracted in 1986. In addition to providing the Government with hard currency and reducing the critical shortage of low cost and affordable housing in Portugal, the program also has significant policy objectives related to the reduction of subsidies and costly construction standards, and to encouraging private sector participation in housing.

Requested Year Program (FY 1987)

As in FY 1985, it is anticipated that half of the $80 million requested for FY 1987 will support the Azores development budget. The remainder will be used to capitalize the Luso-American Development Foundation and possibly to continue selected technical assistance in key areas not covered by the Foundation.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PORTUGAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
ECONOMIC SUPPORT FUND													
CASH TRANSFER (LADF)		G	150-K608	85	85	38,000	38,000	38,000	38,000	---	---	---	---
CASH TRANSFER (AZORES)		G	150-K609	85	85	40,000	40,000	40,000	40,000	---	---	---	---
CASH TRANSFER (LADF)		G	150-K610	86	86	20,000	36,560	---	---	36,560	36,560	---	---
CASH TRANSFER (AZORES)		G	150-K611	86	86	20,000	40,000	---	---	40,000	40,000	---	---
TECHNICAL CONSULTANTS AND TRAINING		G	150-0001	75	85	12,750	12,750	12,750	10,048	---	1,000	---	1,000
AGRICULTURE PRODUCTION PROGRAM		G	150-0023	80	80	10,000	10,000	10,000	6,544	---	2,000	---	---
CASH TRANSFER	*	G	150-S004	87	87	---	80,000	---	---	---	---	80,000	80,000
TOTAL FOR ACCOUNT						140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
GRANTS						140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
GRANTS						140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
LOANS						---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SOUTH PACIFIC REGIONAL PROGRAM

SOUTH PACIFIC REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans		–	–	–	–	–	–	–
Grants	6,023	2,800	–	300	2,123	800	–	–
Total	6,023	2,800		300	2,123	800		
1986								
Loans								
Grants	5,457	2,400	–	400	1,000	700	957	–
Total	5,457	2,400		400	1,000	700	957	
1987								
Loans								
Grants	6,000	2,300	–	400	1,100	700	1,500	–
Total	6,000	2,300		400	1,100	700	1,500	

FY 1987
PROGRAM HIGHLIGHTS

- Continue Development Support Training project to provide short - and long-term training for islanders from public/private sectors, $600,000.
- Assist University of the South Pacific (USP) satellite communications and agricultural research, education and extension programs, $1.5 million.
- Support private and voluntary organizations and Peace Corps self-help development projects which have basic human needs, rural employment and income-generation objectives, $2.4 million.
- Continue support to Regional Private Enterprise Development project, Regional Fisheries project and to the regional development assistance programs of the South Pacific Commission (SPC), $1.5 million.

SOUTH PACIFIC REGIONAL

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	--	--	--
Grants	6,650	5,400	4,300
Total AID	6,650	5,400	4,300
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	6,650	5,400	4,300

******AID levels represent actual and estimated expenditures*
*******P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	--	--	--	--	--	--

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

SOUTH PACIFIC REGIONAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	4	4	4
PASA[b]	–	–	–
TOTAL	4	4	4

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	7	50	57	14	60	74	16	70	86
Regional[e]	–	–		–	3	3	1	4	5
TOTAL	7	50	57	14	63	77	17	74	91

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	18	19	3	25	28	4	30	34
Regional[e]	–	–		–	3	3	–	3	3
TOTAL	1	18	19	3	28	31	4	33	37

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

SOUTH PACIFIC REGIONAL

Development Overview

The South Pacific Regional program area, comprising ten island nations with diverse geographic, demographic and economic characteristics, falls into three major ethnic areas: Cook Islands, Niue, Tonga, Tuvalu and Western Samoa are Polynesian; Fiji, Papua New Guinea, Solomon Islands and Vanuatu are Melanesian; and Kiribati is part of Micronesia. The diverse makeup of historical, cultural, environmental and political systems in the region makes development difficult.

Collectively the nations comprise over 1,300 islands and atolls covering a total area of more than 5.6 million square miles, of which approximately 65% is ocean. Approximately 4.6 million people reside in the region, most of whom live in Papua New Guinea (70%) and Fiji (15%).

Population growth rates range from 1.1% in Western Samoa, to 2.7% in Papua New Guinea and 3.2% in Vanuatu and Solomon Islands. Life expectancy is generally between 50-60 years. Most Pacific Islanders are rural, with a high of 91% rural dwellers in the Solomon Islands and a low of 63% in Fiji. An estimated 2.9 million people, 89% of the population, reside in rural areas in Papua New Guinea.

Most of the workforce is engaged in agriculture and fisheries. While this proportion has been declining for some time in relation to the non-agricultural and services sectors, it remains the major part of the cash economy. The level of employment in subsistence agriculture is very high. Unfavorable balance of payments positions and low foreign exchange levels are common regional problems.

The general employment situation is similar to that in many developing countries, with widespread unemployment in urban centers, especially among youth. Government priorities in most nations are aimed at finding suitable employment opportunities. Significant industrial development is unlikely to generate alternative employment for traditional farmers and fishermen, resulting in continued emigration of the young to developed, industrialized countries.

Melanesia in particular suffers from a variety of serious health problems. Drug-resistant malaria is endemic to most of the region. Infant mortality rates range from 90 to 150 per thousand. Life expectancy of women in some rural areas is below thirty years and accommodates an abysmal quality of life, exacerbated by high fertility rates maintained to compensate equally high infant mortality. Response to these problems is inadequate and slow, compounded by both a lack of technical expertise and relatively low literacy (10-15% in some rural areas). Natural disasters are common and climatic conditions can be extremely harsh. While rainfall is generally high, droughts have occasionally devastated cash crops in much of the area. Cyciones occur frequently in the southwest area.

United States Interests and Objectives

The cornerstone of U.S. policy in the South Pacific is strategic denial of the region to the Soviet Union and its surrogates, and maintenance of access to the region's ports. The Soviet Union has challenged this objective in recent years, with a coordinated and carefully focused effort to gain a permanent foothold in the region by offering the island states financially attractive fisheries offers. While only Kiribati has accepted an offer so far, other island states are watching the situation closely to see if the financial benefits of a relationship with the USSR outweigh the potential dangers. New Zealand's ban of U.S. warships has encouraged anti-nuclear activists in the South Pacific to pressure island governments to follow a similar policy.

Major U.S. interests in the region that derive from this policy objective are: (1) to counteract efforts by anti-nuclear forces to close the region to U.S. ships and aircraft; (2) to assist friendly governments that pursue policies supportive of U.S. interests both in the region and in international fora; (3) to preserve and restore regional goodwill toward the United States, which has suffered from a lack of any real U.S. presence in the region since the end of World War II; and (4) to preserve U.S. access to the fish seabed resources in the region's exclusive economic zones.

A.I.D. Development Strategy

Our objective is to maintain a useful and meaningful presence in the region, in concert with and supplemental to the major donors. A.I.D. provides assistance from its South Pacific Regional Development Office (SPRDO) located in Suva, the capital of the Fiji Islands. For the most part this assistance is provided through intermediaries to the ten independent island countries; namely U.S. and indigenous private and voluntary organizations (representing about 60% of the current program), South Pacific regional institutions and SPRDO regional programs for training and private enterprise development (about 30%), and the Peace Corps, which has primary responsibility for a small grants program throughout the region, emphasizing self-help employment and income-generation rural development projects. Also, for the first time in the region A.I.D. will enter into a bilateral assistance program, for Fiji, in FY 1986.

A.I.D. assistance consists of both "grass roots" community projects and regional programs, aimed at increasing developmental skills at lower levels of society and assisting island governments to better utilize bilateral and multilateral programs conducted by other countries. A 1984-85 review of its South Pacific program resulted in an increased focus in the agriculture and health sectors, supported by training activities.

SOUTH PACIFIC REGIONAL

A.I.D. Program: (FYs 1985-1986)

A. Regional Organizations and Programs

U.S. policy supports regional activities through the University of the South Pacific (USP) and the South Pacific Commission (SPC); from its offices in Fiji, A.I.D. also makes available and manages regional Development Support Training and Private Enterprise Development programs.

The largest A.I.D. grant in the South Pacific Regional program is a Title XII collaborative assistance grant with the USP and the Universities of Hawaii and Cornell for South Pacific Regional Agricultural Development (879-0267). The project, started in FY 1980, is upgrading the faculty and facilities of the USP School of Agriculture and supporting the School's research, education and extension services to countries served by USP. Hawaii and Cornell Universities provide technical assistance. Six lecturers from USP are receiving graduate training at U.S. institutions. Three Master's degree participants returned to the School of Agriculture from 1983-1985. A mid-term evaluation, completed during FY 1984, was used to design an interim extension of the project during FY 1985, which will lead to a planned Phase II of the project in FY 1986 and beyond.

A 1984 A.I.D. evaluation of the USP Satellite Communications project concluded that continuing use of satellite communications was essential for the USP to function effectively as a regional institution. Then, following an August 1985 A.I.D. "Study of Alternative Options for Restoration of USP Net Services", A.I.D. began working with USP to analyze its options, and will begin a new project of assistance to USP Extension Services which will link USP communications into existing and foreseen commercial satellite systems.

In FY 1985 four activities funded through the South Pacific Commission (SPC) were consolidated into a single SPC Multi-Project Support (SPC-MPS) project (879-0006) which will both increase A.I.D. support for the SPC and improve managerial efficiency in administering the assistance.

A.I.D. is continuing its private sector focus begun by a regional conference held in FY 1984, and in several FY 1985 private enterprise development workshops, which helped to identify regional opportunities for private enterprise and trade development. These activities have helped to determine the design of a new Regional Private Enterprise Development project (879-0003), beginning in FY 1986. Although past training has promoted institution building through the development of mid-level managers to replace expatriates, and training has always been emphasized in individual projects assisted by A.I.D., there has not been a more generalized way for A.I.D. to assist regional training. Consequently, a new Development Support Training project (879-0004) was launched during FY

1985 to provide short- and long-term training for islanders in both the public and private sectors. Sixty-five islanders received training in FY 1985.

In response to Soviet fishing initiatives and in support of the U.S.-South Pacific tuna negotiations, A.I.D. is beginning planning and design of a fisheries assistance project in FY 1986. Congress will be notified as A.I.D. is able to provide a project description.

B. Private and Voluntary Organizations (PVOs)

PVO assistance remains an important mode of the South Pacific regional program. A number of PVO activities involve technology transfer, such as development of ferro-cement water tanks and catchments; utilization of solar power in rural areas; developing technical skills that can be used to supplement farm income; building of epoxy and fiberglass boats and other products; and manufacture of simple refrigeration devices. PVOs also foster institution building through development of agricultural skills, maternal and child nutrition and primary health care, and women's organizations. There is also a private sector focus through assistance to small-scale employment and income-generating private enterprises.

C. Small Grants program

In FY 1979, A.I.D. started the Accelerated Impact Program (AIP) (879-0256), primarily in cooperation with the U.S. Peace Corps. By the end of FY 1985, the Peace Corps, communities and local governments had initiated 373 self-help activities at the village and community level under this program, 50 in FY 1985. One-third of the AIP projects have been for agriculture development, with others in fisheries, forestry, health, water systems, and village sanitation. A particularly successful activity with the Peace Corps in the Cook Islands helped establish a nationwide rural appropriate technology program, bringing capital saving improvements in energy and food production to remote islands.

An FY 1984 evaluation confirmed the basic appropriateness and effectiveness of Accelerated Impact Program procedures, and concluded that AIP was directly meeting the needs of village populations. The AIP has been slightly redirected to follow the evaluation's recommendations that more emphasis be placed on income-generating projects (to include small rural infrastructure), and that program activities be more equitably distributed among all countries.

D. Agriculture, Rural Development and Nutrition (ARDN)

For FY 1986, funds in the ARDN sector will continue assistance to the PVO Co-Financing project (879-0001), begin the Regional Private Enterprise Development project (879-0003), and begin a new phase of assistance to the on-going Title XII program with USP (879-0267); ARDN funding in the SPC Multi-Project Support (SPC-MPS) project (879-0006) will continue A.I.D. support for the Tuna and Billfish Assessment Program.

E. Health

Health funding will support PVO Co-Financing projects, primarily for the visually handicapped, and for primary health care in the Melanesian countries, as well as for the SPC Rural Water and Sanitation Program within the SPC-MPS.

F. Education and Human Resources

For FY 1986 funding will continue for training through the new Development Support Training project (879-0004), a new phase of A.I.D. assistance to USP Regional Satellite Communications (879-0007), the SPC's Community Education Training Center (as part of the SPC-MPS, project 879-0006), and on-going education activities under PVO Co-Financing.

G. Selected Development Activities

Funds will be used in a modestly increased Accelerated Impact Program (879-0256) to encourage and support self-help, Peace Corps-initiated projects at the village level, PVO activities in alternative and renewable energy, and for helping to begin the new Regional Private Enterprise Development project (879-0003).

Requested Year Program (FY 1987)

In FY 1987, the SPC Multi-Project Support project (879-0006) will have new component activities, most likely in health education, development administration, and rural development. The new USP Regional Satellite Communications project (879-0007) will be in operation for its first full fiscal year, as will the new Regional Private Enterprise Development project (879-0003).

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SO PACIFIC REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PVO CO-FINANCING	G	879-0001	84	89	7,500	6,573	3,673	1,624	800	800	400	800
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	G	879-0003	86	91	---	1,350	---	---	300	100	300	150
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	1,100	1,100	300	---	200	200	200	100
SOUTH PACIFIC REGION AGRICULTURAL DEV	G	879-0267	80	90	5,640	8,140	4,640	2,908	1,100	1,200	1,400	1,800
TOTAL FOR ACCOUNT					14,240	17,163	8,613	4,532	2,400	2,300	2,300	2,850
GRANTS					14,240	17,163	8,613	4,532	2,400	2,300	2,300	2,850
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO CO-FINANCING	G	879-0001	84	89	1,255	955	355	169	200	100	200	175
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	800	800	100	---	200	100	200	100
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	78	83	803	803	803	745	---	---	---	---
TOTAL FOR ACCOUNT					2,858	2,558	1,258	914	400	200	400	275
GRANTS					2,858	2,558	1,258	914	400	200	400	275
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PVO CO-FINANCING	G	879-0001	84	89	9,345	5,540	3,539	1,529	300	900	300	800
DEVELOPMENT SUPPORT TRAINING	G	879-0004	85	89	3,000	3,000	375	---	500	575	600	400
SPC/HEALTH EDUCATION	G	879-0005	84	84	67	67	67	8	---	---	---	---
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	600	600	---	---	100	75	100	100
USP/SATELLITE REGIONAL COMMUNICATIONS	G	879-0007	86	87	---	400	---	---	100	75	100	75
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	77	83	7,611	5,399	5,399	5,224	---	---	---	---
SPC/WOMEN IN DEVELOPMENT	G	879-0274	82	84	287	287	287	175	---	112	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SO PACIFIC REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					20,910	15,293	9,667	6,936	1,000	1,737	1,100	1,375
GRANTS					20,910	15,293	9,667	6,936	1,000	1,737	1,100	1,375
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PVO CO-FINANCING	G	879-0001	84	89	1,900	832	532	32	100	250	100	150
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	G	879-0003	86	91	---	1,350	---	---	200	150	200	175
ACCELERATED IMPACT PROGRAM	G	879-0256	78	89	3,000	3,000	1,618	1,503	400	350	400	330
TOTAL FOR ACCOUNT					4,900	5,182	2,150	1,535	700	750	700	675
GRANTS					4,900	5,182	2,150	1,535	700	750	700	675
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
FISHERIES DEVELOPMENT	G	879-0009	86	90	---	5,000	---	---	957	200	1,500	600
TOTAL FOR ACCOUNT					---	5,000	---	---	957	200	1,500	600
GRANTS					---	5,000	---	---	957	200	1,500	600
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					42,908	45,196	21,688	13,917	5,457	5,187	6,000	5,775
GRANTS					42,908	45,196	21,688	13,917	5,457	5,187	6,000	5,775
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SPAIN

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                                     FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (152) SPAIN

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     38,829

PER CAPITA GNP.......... (DOLLARS,1983)      4,780

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.0%

ANNUAL RATE OF INFLATION (1973-83) 16.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974)   5.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 74.6  MALE 71.6  FEMALE 77.7
                     (1970)   TOTAL 72.2  MALE 69.6  FEMALE 74.9

ADULT LITERACY RATE  (1981)   TOTAL  93%  MALE  96%  FEMALE  90%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)   1.1%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       122


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,BARLEY ,PULSES                  32%   (1984)
  CASH: OLIVES ,GRAPES ,CITRUS FRUIT                  20%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,WINE  TOMATOES

MAJOR AGRICULTURAL IMPORTS:(1984) SOYBEANS ,CORN ,COFFEE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1979)    17%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)     34,809 (79)      47,471 (80)      52,448
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)     38,267 (79)      54,407 (80)      61,536
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)     -3,458 (79)      -6,936 (80)      -9,088
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978)  4.0% (79)  4.9% (80)  4.1%
  AS % OF GNP................. (1978)  1.0% (79)  1.4% (80)  1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)11,321 (83)11,229 (84)15,787
  EQUIVALENT TO  4.9 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)IRON AND STEEL ,MACHINERY      ,AUTOMOBILES

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,324  (1983)1,420  (1984)2,252
   AS % OF TOTAL EXPORTS (1982)    7% (1983)    7% (1984)  10%

MAJOR IMPORTS(1983)FUELS             ,MACHINERY      ,CHEMICALS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)4,360  (1983)3,455  (1984)3,250
   AS % OF TOTAL IMPORTS (1982)   16% (1983)   13% (1984)  12%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -9,250(83) -7,362(84)-4,059

TRADING PARTNERS: FRANCE ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (   .)        %

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (   .)     .
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (   .)     . %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   0.9% (1978)   0.9% (1985)  0.6%

POPULATION IN URBAN AREAS............(1970)    66%   (1985)   77%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    20    (1985)     11

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)  50.7%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 24.0% (15-64YRS) 64.9% (65+ YRS) 11.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)   9

PEOPLE PER PHYSICIAN................ (1979)    454

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA        ,CHICKEN POX     ,MEASLES
DEATH.. (1979) STROKE           ,HEART DISEASE   ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   131%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(   .)   .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  92.2   MALE  93.0    FEMALE  91.4
SECONDARY....... (1981)  TOTAL   103   MALE  99.0    FEMALE   102
POST SECONDARY.. (1980)  TOTAL  18.7   MALE  20.6    FEMALE  16.7

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     33.9%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SPAIN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	7.0	7.3	22.0	12.0	12.0	1108.0	353.4	754.6
Loans	-	0.3	-	-	-	336.8	353.4	16.6-
Grants	7.0	7.0	22.0	12.0	12.0	771.2	-	771.2
a. A.I.D. and Predecessor Agencies	7.0	7.0	22.0	12.0	12.0	669.6	132.3	537.3
Loans	-	-	-	-	-	99.0	132.3	33.3-
Grants	7.0	7.0	22.0	12.0	12.0	570.6	-	570.6
(Economic Support Fund)	7.0	7.0	22.0	12.0	12.0	576.5		
b. Food for Peace (PL 480)	-	-	-	-	-	438.1	221.0	217.1
Loans	-	-	-	-	-	237.5	221.0	16.5
Grants	-	-	-	-	-	200.6	-	200.6
Title I – Total Sales Agreements	-	-	-	-	-	247.4	221.0	26.4
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	247.4	221.0	26.4
Title II – Total Grants	-	-	-	-	-	190.7	-	190.7
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	3.8	-	3.9
Voluntary Relief Agencies	-	-	-	-	-	186.9	-	186.9
c. Other Economic Assistance	-	0.3	-	-	-	0.3	0.1	0.2
Loans	-	0.3	-	-	-	0.3	0.1	0.2
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	125.9	126.2	127.0	402.5	403.0	2541.3	495.4	2045.9
Credits or Loans	120.0	120.0	125.0	400.0	400.0	1527.3	495.4	1031.9
Grants	5.9	6.2	2.0	2.5	3.0	1014.0	-	1014.0
a. MAP Grants	3.8	3.6	-	-	-	694.2	-	694.2
b. Credit Financing – FMS	120.0	120.0	125.0	400.0	400.0	1527.3	495.4	1031.9
c. Military Assistance Service Funded (MASF) Grants	2.1	2.6	2.0	2.5	3.0	51.2	-	51.2
d. Transfers from Excess Stocks	-	-	-	-	-	82.7	-	82.7
e. Other Grants	-	-	-	-	-	185.9	-	185.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	132.9	133.5	149.0	414.5	415.0	3649.3	848.8	2800.5
Loans	120.0	120.3	125.0	400.0	400.0	1864.1	848.8	1015.3
Grants	12.9	13.2	24.0	14.5	15.0	1785.2	-	1785.2
Other U.S. Government Loans and Grants	67.5	91.9	38.2	-	-	2059.2	1943.1	116.1
a. Export-Import Bank Loans	66.5	91.9	37.8	-	-	2048.4	1929.9	118.5
b. All Other Loans	1.0	-	1.0	-	-	10.8	13.2	2.4-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL..........	105.4	105.0	140.0	828.1
IBRD	0.0	0.0	0.0	416.3
IFC	0.4	0.0	0.0	11.6
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	8.6
OTHER-UN	0.0	0.0	0.0	1.6
EEC	105.0	105.0	140.0	390.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	-	-	-7.0
Germany,Fed. Rep.	-	-	39.3
Italy	-	-	2.0
Japan	-	-	0.5
Austria	-	-	0.4
Other			0.1
Total			35.3

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

SPAIN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	12.0	11.5	12.0

No country narrative is provided for Spain. For a program description see the Department of State Congressional Presentation Document.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: SPAIN

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
USIA TRANSFER		G	152-AAAA	85	85	5,000	5,000	5,000	---	---	3,000	---	2,000
OES TRANSFER		G	152-BBBB	85	85	7,000	7,000	7,000	---	---	4,000	---	3,000
ECONOMIC SUPPORT FUND		G	152-XXXX	80	84	60,000	60,000	60,000	44,375	---	4,000	---	---
ECONOMIC SUPPORT FUND		G	152-XX86	86	86	---	11,484	---	---	11,484	1,000	---	5,000
ECONOMIC SUPPORT FUND	*	G	152-XX87	87	87	---	12,000	---	---	---	---	12,000	---
TOTAL FOR ACCOUNT						72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
GRANTS						72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
GRANTS						72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SRI LANKA

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (383) SRI LANKA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      15,599

PER CAPITA GNP.......... (DOLLARS,1983)        330

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.9%

ANNUAL RATE OF INFLATION (1973-83) 14.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1982)   3.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1985)   TOTAL 69.9  MALE 67.9  FEMALE 71.9
                   (1970)   TOTAL 63.6  MALE 62.5  FEMALE 64.8

ADULT LITERACY RATE  (1981)   TOTAL  86%  MALE  91%  FEMALE  81%

--------------
*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                        (1975-1984)   0.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    27%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1979)       763


MAJOR CROP(S)                                 ARABLE LAND  YEAR
  SUBSISTENCE: RICE .. ..                             48%   (1984)
  CASH: TEA ,RUBBER ,COCONUTS                         35%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TEA ,RUBBER ,COCONUTS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SUGAR ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    45%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1980)       972 (81)        933 (82)        972
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1980)      1,707 (81)      1,486 (82)      1,650
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1980)      -735 (81)       -553 (82)       -678
DEFENSE EXPENDITURES.
  AS % OF TOTAL EXPENDITURES.. (1980)  1.7% (81)  1.7% (82)  1.5%
  AS % OF GNP................. (1980)  0.7% (81)  0.6% (82)  0.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)            (1982)   364 (83)   308 (84)   510
  EQUIVALENT TO  1.5 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1984)TEA            ,TEXTILES&GARMEN,RUBBER

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  143  (1983)  184  (1984)  280
   AS % OF TOTAL EXPORTS (1982)   14% (1983)   17% (1984)   19%

MAJOR IMPORTS(1984)PETROLEUM      ,MACH & EQUIP   ,TEXTILES& MATL

IMPORTS FROM U.S
   ($ MILLIONS, US, CIF) (1982)  112  (1983)  115  (1984)  164
   AS % OF TOTAL IMPORTS (1982)    6% (1983)    6% (1984)    9%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -629(82)   -783(83)  -665

TRADING PARTNERS: JAPAN ,SAUDI ARABIA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    72.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (1983)   167
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  15.7%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.9% (1978)   1.9% (1984)  1.3%

POPULATION IN URBAN AREAS............(1970)    22%   (1981)   22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    30    (1985)     27

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION   (1982)  54.9%

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 34.2% (15-64YRS) 61.4% (65+ YRS)  4.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  28

PEOPLE PER PHYSICIAN................ (1980)  7,172

MAJOR CAUSES OF
DISEASE (1979) PREGNANCY-RELATE,ACUTE RESP. INFE,PARASITIC DISEAS
DEATH.. (1981) CIRCULATORY      ,INJURY          ,INFECTIOUS DIS.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    93%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981)  70%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1983)  TOTAL   102   MALE   105    FEMALE  99.1
SECONDARY....... (1976)  TOTAL  54.7   MALE  52.9    FEMALE  63.6
POST SECONDARY.. (1980)  TOTAL   2.3   MALE   2.5    FEMALE   2.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      7.1%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY SRI LANKA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	60.3	70.8	70.8	80.4	75.5	825.5	119.2	706.5
Loans	49.6	61.1	58.7	66.9	59.7	636.1	119.2	516.9
Grants	10.7	9.7	12.1	13.5	15.8	189.4	-	189.4
a. A.I.D. and Predecessor Agencies	31.4	46.1	48.5	50.7	44.7	345.8	30.5	315.3
Loans	25.8	43.9	42.0	45.5	34.7	289.4	30.5	258.9
Grants	5.6	2.3	6.5	5.2	10.0	56.4	-	56.4
(Economic Support Fund)	-	-	-	-	-	7.2		
b. Food for Peace (PL 480)	28.9	24.7	22.3	29.7	30.4	477.7	88.7	389.0
Loans	23.8	17.3	16.7	21.4	25.0	346.7	88.7	258.0
Grants	5.1	7.4	5.6	8.3	5.4	131.0	-	131.0
Title I - Total Sales Agreements	23.8	17.3	16.7	21.4	25.0	351.6	88.7	262.9
Repayable in U.S. Dollars - Loans	23.8	17.3	16.7	21.4	25.0	332.8	74.7	258.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	18.8	14.0	4.8
Title II - Total Grants	5.1	7.4	5.6	8.3	5.4	126.1	-	126.1
Emerg. Relief, Econ. Develop. & World Food Program	-	-	*	3.7	0.4	25.9	-	25.9
Voluntary Relief Agencies	5.1	7.4	5.6	4.5	5.0	100.2	-	100.2
c. Other Economic Assistance	-	-	-	*	0.4	2.0	-	2.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	0.4	2.0	-	2.0
Peace Corps	-	-	-	*	0.4	2.0	-	2.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	0.1	2.1	0.1	0.1	6.2	0.4	5.8
Credits or Loans	-	-	2.0	-	-	2.3	0.4	1.9
Grants	*	0.1	0.1	0.1	0.1	3.9	-	3.9
a. MAP Grants	-	-	-	-	-	3.2	-	3.2
b. Credit Financing FMS	-	-	2.0	-	-	2.3	0.4	1.9
c. Military Assistance Service-Funded (MASF) Grants	*	0.1	0.1	0.1	0.1	0.7	-	0.7
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	..	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	60.3	70.9	72.9	80.5	75.6	831.7	119.6	712.1
Loans	49.6	61.1	60.7	66.9	59.7	638.4	119.6	518.8
Grants	10.7	9.8	12.2	13.6	15.9	193.3	-	193.3
Other U.S. Government Loans and Grants	-	0.3	11.3	-	-	29.8	21.9	7.9
a. Export-Import Bank Loans	-	-	11.3	-	-	14.6	5.0	9.6
b. All Other Loans	-	0.3	-	-	-	15.2	16.9	1.7-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	86.2	93.0	206.4	1524.3
IBRD	0.0	12.1	82.0	190.2
IFC	7.4	0.1	4.0	63.5
IDA	32.0	55.0	72.0	785.3
IDB	0.0	0.0	0.0	0.0
ADB	39.8	20.7	88.4	408.3
AFDB	0.0	0.0	0.0	0.0
UNDP	3.7	5.1	0.0	75.9
OTHER-UN	3.3	0.0	0.0	21.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	53.0	62.0	296.0
Japan	66.4	79.1	331.7
United Kingdom	58.3	44.7	278.7
Germany,Fed. Rep.	27.1	45.9	179.4
Canada	33.7	36.5	175.6
Other	82.8	91.6	506.7
Total	321.3	359.8	1,768.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
1.5	N.A.	23.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	100
Eastern Europe	-	-	93
Total	-	-	193

SRI LANKA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	18,846	13,246	-	5,600	-	-	-	-
Grants	15,816	10,710	-	4,600	200	306	-	-
Total	34,662	23,956		10,200	200	306		
1986								
Loans	8,000	8,000	-	-	-	-	--	-
Grants	12,000	8,350	-	2,000	100	1,550	-	-
Total	20,000	16,350		2,000	100	1,550		
1987								
Loans	13,000	13,000	-	-	-	-	-	
Grants	7,000	6,000	-	-	-	1,000	-	-
Total	20,000	19,000				1,000		

FY 1987
PROGRAM HIGHLIGHTS

- AID's FY 1987 Program will emphasize:

- increasing agricultural production, rural incomes and employment by supporting the development and rehabilitation of irrigation systems, improved water management, agricultural research on diversified crops and the strengthening of Sri Lankan development institutions. $9.0 million.
- stimulating rural enterprise development to provide off-farm employment opportunities in areas served by major irrigation systems. Emphasis will be on private sector development and the removal of contraints faced by the private sector. $10.0 million.
- supporting the government's agriculture, food and nutrition strategy and related policies, and providing food supplements for malnourished infants, young children and mothers. $21.0 million in PL 480.

SRI LANKA

RESOURCE FLOWS *(in thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	63,374	22,818	10,490
Grants	4,665	10,973	12,467
Total AID	68,039	33,791	22,957
P.L. 480 **			
Title I	26,000	26,000	19,000
(of which Title III is)	(–)	(–)	(–)
Title II	3,855	2,746	2,029
Total P.L. 480	29,855	28,746	21,029
Total AID and P.L. 480	97,894	62,537	43,986

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	175,000	26,000	193,000	26,000	147,000	19,000
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total	175,000	26,000	193,000	26,000	147,000	19,000
(of which Title III is)	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	14,011	3,855	11,470	2,746	8,442	2,029
Government - to - Government	–	–	–	–	–	–
Title II Total	14,011	3,855	11,470	2,746	8,442	2,029
Total P.L. 480	189,011	29,855	204,470	28,746	155,442	21,029

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

Development Overview

For 30 years following independence in 1948, the Government of Sri Lanka (GSL) emphasized expenditures on health, education and social programs, but provided little investment in economic productivity. The policies resulted in an impressive performance in social development, with food consumption by the mid-1970s increasing to 2,200 calories per capita, and life expectancy to 68 years, while infant mortality was reduced to 42 per 1,000 and the net population growth rate to 1.9 percent. The adult literacy rate grew to 85 percent, the highest in the developing countries of Asia.

Unfortunately, these impressive gains were being undermined by a stagnant economy and deteriorating public services. Welfare-oriented policies and increased reliance upon the public sector of the economy, combined with droughts and unfavorable prices for basic exports, resulted in low gross national product (GNP) growth (2.9 percent) and even lower growth in agricultural production (2 percent). The most serious consequences were widespread unemployment (about 25 percent) and massive food deficits. Since 1977 a far-reaching program has been launched to accelerate economic growth and employment. This program is based upon the liberalization and opening of the economy. Particular attention has been given to: (1) self-sufficiency in rice production; (2) accelerating the growth of exports; (3) stabilizing the price level and growth of imports through budgetary discipline, subsidy reduction, and the encouragement of private savings and investment. From 1977 to 1982, GNP growth averaged 6.2 percent and unemployment fell to about 14 percent. Concurrently, rice production increased at an average of over 7 percent per annum, even in the face of serious droughts and floods. In spite of communal disturbances in 1983, economic growth for the year recorded a strong 4.9 percent. Due to lower tea prices, growth in 1985 is expected to remain near 5%.

For the 1985-89 planning period, the GSL remains committed to the objectives of an open economy, accelerating economic growth, and employment generation, while safeguarding the living standards of the poor. The highest priority remains the Accelerated Mahaweli Development Program to provide employment, increase food production, and expand power capacity. The plan stresses the need for operations and maintenance, and takes the position that the government will not undertake activities which could be more easily and efficiently handled by the private sector. Public investment over the next five years will concentrate on quick-yielding, production-oriented projects, essential infrastructure, and urgent needs in social services. Mahaweli expenditures are followed in importance by power, transport, plantations and field crops.

Adequate donor support is critical if Sri Lanka is to overcome its economic problems and maintain its sound economic policies. Substantial aid is required to help strengthen institutions, expand the country's productive capacity further and improve social services.

SRI LANKA

U.S. Interests and Objectives

U.S. interests are to support a viable, independent, and democratic Sri Lanka. The country has a strong record of free elections and social equity. It plays a moderating role in the nonaligned movement, keeps its ports open to the navies of all nations, and is active in international fora in a responsible way. U.S. interest in Sri Lanka also is reflected in the increasing trade between the two countries. The United States is now Sri Lanka's largest export market (about $280 million in 1984) and third largest source of imports (approximately $164 million in 1984). In 1983 the U.S. ranked sixth as a source of imports. As a result of the GSL economic reforms and private sector incentives, U.S. investment in Sri Lanka has risen from $500,000 in 1978 to an estimated $30 million in 1984.

In addition, the GSL's development program, which now encourages private enterprise, offers an opportunity to the United States to - demonstrate that development can best be achieved by taking a free market approach. Sri Lanka thus serves as a model of the type of economic development that the United States promotes and supports throughout the world.

Sri Lanka's record is threatened by its festering communal crisis and insurgency. The U.S. supports a political settlement fair to Sri Lanka's constituencies which preserves its tradition of freedom, growth and equity.

A.I.D. Development Strategy

The A.I.D. development strategy centers on the constraints of low agricultural productivity and low, slowly-growing income levels. In order to overcome these development constraints, the GSL will need to make better use of available resources, and that will require some hard decisions. Opportunities for assistance will be based on the GSL's awareness of the need for such decisions and its willingness to make and support them. The insurgency also may affect the project portfolio.

Over 80% of Sri Lanka's population lives in rural areas. Most of the rural work force is engaged in agriculture although few are fully employed at it. Small farms predominate. Poverty is most extensive in the rural areas. The strategy, therefore, has as an objective improving agricultural productivity and farm incomes. Priority attention will be given to development of the private and public sector institutions which service the new settlement areas of the Accelerated Mahaweli Development Program where the GSL, A.I.D. and other donors have already made substantial investment. However, this attention will not be exclusive of other parts of the country where successful interventions can contribute to an equitable pattern of growth.

Creating jobs continues as a top priority of the GSL. The need for employment in the rural areas is evident in the fact that over 40% of the work force there works less than 100 days a year. More than increased farm labor is required, as the number of landless within the agriculturally dependent population is increasing (7% in 1973 to 20% in 1981). In addition, nutritional standards for low income groups, particularly the rural poor, have been deteriorating. Income generating opportunities must be created both on and off the farm.

A.I.D. views the creation of jobs off the farm to be a role of the private sector. Thus, the strategy will focus on providing the environmental setting and support services necessary to stimulate off-farm employment and rural enterprise growth in the private sector. Policy dialogue with the GSL to this end will be as critical as the projects discussed below. Again, the Mahaweli region will receive priority but not exclusive attention. Agribusiness is expected to be a primary investment target.

A.I.D. Program (FYs 1985-1986)

A.I.D.'s current program includes Development Assistance, PL 480 Titles I and II and a Housing Guaranty.

A. Agriculture, Rural Development and Nutrition

Four ongoing projects in the rural development sector -- Mahaweli Basin Development I and II (383-0056 and 383-0073), Mahaweli Environment (383-0075), Reforestation and Watershed Management (383-0055) and a project which was completed in FY 1985, Mahaweli Sector Support (383-0078) -- contribute to the GSL's large, multi-year, multi-donor Mahaweli River Basin development schemes. They help finance the design and construction of an irrigation system encompassing about 68,000 hectres of rice land and homesites for some 68,000 settler families. On-farm support systems will be developed to assure productive use of the agricultural base established through irrigation and settlement. Also included is the reforestation of over 24,000 acres of degraded land in the upper catchment of the Mahaweli River and the planting of 35,000 acres of fuelwood forests in the Mahaweli dry zone. Additionally, special attention is being given to developing the institutional capacity to plan and manage natural resources, conserve the environment, increase farmer participation and improve water management and maintenance

Six additional projects seek to improve the productivity of Sri Lanka's agricultural sector. The Agricultural Education Development project (383-0049) is helping to establish a highly trained Faculty of Agriculture at the Postgraduate Institute of Agriculture of the University of Peradeniya, together with necessary facilities and equipment, to double the number of indigenously trained college graduates and triple the indigenously trained post graduates in the field of agriculture. The FY 86 Development Management and Training project (383-0085) is increasing the productivity of available resources and improving the GSL and A.I.D.

program effectiveness by improving the management of public sector development activities primarily in the agriculture/rural development sector. The project will provide assistance through introduction of modern management practices, selected institutional support and in-country and external training in management and technical fields. These priorities were selected following an evaluation of a predecessor project which was not as focused. The Water Management project (383-0057) has focused on the "software" aspects of irrigation, including the greater efficiency of water use, farmer participation, and systems operation and maintenance, while also funding the rehabilitation of older irrigation systems. The FY 86 Irrigation Systems Management project (383-0080), building on experience with the Water Management project, and evaluations of it and other Asia irrigation projects, will develop the GSL's institutional capacity to better manage and maintain major irrigation systems. It will also emphasize the participation of farmers in the decision making process for irrigation systems. Under the Diversified Agricultural Research project (383-0058), A.I.D. assistance will help improve the GSL's institutional capability to plan and carry out research, seed development and extension on subsidiary field crops which offer significant agricultural potential. Rice, as the most important food grain, will continue to receive some support. Based on experience with the A.I.D.-assisted National Agriculture, Food and Nutrition Strategy of Sri Lanka, A.I.D. is providing assistance through the FY 86 Agricultural Planning and Analysis project (383-0083) to improve resource allocation and management for agriculture and rural development programs. Efforts are being directed at strengthening the analysis and planning capacities at both the national and local levels.

The PL 480 Title I food assistance program contributes to: (1) supporting the government's National Agriculture, Food and Nutrition Strategy and related policies, (2) supporting agriculture and rural development, and (3) reducing Sri Lanka's balance-of-payments gap. Wheat flour milled from Title I wheat is distributed to cooperatives, bakeries and registered retail outlets. Low-income families purchase wheat flour and bread from outlets under the GSL's food stamp program, which replaced a non-targeted ration that had been provided to everyone. Local currency sales proceeds are used by the government for agriculture and rural development, with emphasis on irrigation and water management activities.

B. Health

A.I.D. currently has four projects in this sector. The Malaria Control project (383-0043) has been successful in helping to reduce the incidence of malaria since 1977. A.I.D. efforts are now focussed on effective institutionalization of the malaria control program. Assistance also includes the introduction of new technologies for alternative vector control measures and decreasing levels of financing for insecticides as the GSL phases these costs into its budget. The National Institute of Health Sciences project (383-0062) supports the construction of additional training facilities for primary health care workers. The Water Supply and Sanitation Sector project (383-0088) is improving the institutional capacity of the GSL to plan and implement potable water and sanitation programs as they finance the design and installation of such systems. This project will also help to educate the public in basic health and sanitation measures.

PL 480 Title II voluntary agency programs are administered through CARE, which manages a school-feeding program in collaboration with the Ministry of Education Services, and a Maternal/Child Health (MCH) program and other smaller programs in collaboration with the Ministry of Health. The MCH program addresses three nutritional problems in Sri Lanka: protein-calorie malnutrition, nutrition anemia and vitamin A deficiency. The program reaches approximately 550,000 medically-selected, pregnant and lactating mothers and pre-schoolers through the monthly issuance of a pre-cooked food supplement, Thriposha. A.I.D. is phasing out its support for the school-feeding program over the FY 1985-1987 period. An evaluation of Title II assistance in FY 1982 found the Thriposha program to be one of the better MCH activities sponsored under Title II worldwide, but could not document the nutritional impact of the school-feeding program. A subsequent GSL nutrition study, which indicates that the level of malnutrition in Sri Lanka has increased over the last 10 years, appears to support the view that the school-feeding program is not an effective means of combating this malnutrition problem. As a result, in policy discussions with the GSL, A.I.D. will be encouraging the GSL to focus its resources on combating malnutrition at an earlier stage in the growth cycle through mutually supportive national programs. At the same time, we will be working with the GSL to strengthen the MCH program.

C. Selected Development Activities

The GSL has taken encouraging steps since 1977 to liberalize the economy and stimulate private sector development. Rigid controls over foreign exchange and imports have been relaxed, and several tax and other incentives have been introduced to encourage private investment. Promotion of such private investment, both domestic and foreign, which is essential for achieving sustained economic growth, expanded employment, and profitable utilization of Sri Lanka's rich natural resource base is the purpose of the Private Enterprise project (383-0082). This project's principal components are: pre-feasibility studies, investment promotion, management training, entrepreneurial development, selected private sector support, and the establishment of a Sri Lankan Business Development Center.

The Low-Income Housing Guaranty program has been assisting the GSL to finance its primarily rural, low cost housing program. In FY 1985 the program's Phase III was authorized to assist those settler households who move to new lands in the Mahaweli area as well as assist the ongoing "Million Houses Program." In addition, assistance will be provided to Sri Lanka's first, newly created savings and loan association, the

Housing Development Finance Corporation, and the re-organized State Mortgage and Investment Bank. The capital cost of these programs is supported by A.I.D.'s Housing Guaranty Loan Program. Technical assistance and training are also provided to assist the GSL in the areas of cost recovery, development of appropriate automated management information systems, support for the development of a national housing finance system and national housing policy, and the strengthening of the private sector's role in private housing construction and finance.

The Private Voluntary Organization (PVO) Co-financing project (383-0060) will continue to provide opportunity for local communities to participate in their own development by assisting indigenous and U.S. PVOs to undertake collaborative activities which improve the lives of the poor. Six activities were completed during FY 1985 bringing the total number completed under the project to 15. Eight of the nine activities now in various stages of implementation will be completed in FY 1986, while work will commence on seven new PVO activities during the year. Some of the planned achievements for the period are: reforestation of an additional 1,090 acres of land in the Mahaweli Project area; establishment of 40 pre-schools and improvement of children's services in 40 fishing villages; small enterprise development for rural women in six districts; and community-based development of 20 villages, and the establishment of 1,800 home gardens.

Requested Year Program (FY 1987)

One new and three continuing projects are included in the FY 1987 requested program level. The proposed Development Assistance program is designed to assist the GSL in making more productive use of its available resources.

A. Agriculture, Rural Development and Nutrition

In FY 1987 the A.I.D. program in Sri Lanka will shift to an almost exclusive focus on rural development in seeking to increase agricultural productivity and farm incomes and to provide opportunities for off-farm employment and rural enterprises. Irrigation Systems Management (383-0080) will continue work on improving the operations and maintenance capabilities for major irrigation systems while simultaneously helping to rehabilitate selected systems. Planning, evaluation and management improvement are highlighted in the Agricultural Planning and Analysis(383-0083) and Development Management and Training (383-0085) projects which will receive incremental funding. A new Rural Enterprise Development project (383-0090) will stimulate rural enterprise development linked to major irrigation systems and settlement schemes in Sri Lanka. The project will include a wide range of enterprise development activities addressing the needs of micro-level, small to medium and large scale commercial and industrial businesses. Emphasis will be on private sector development and the removal of constraints faced by the private sector.

B. Other Programs

PL 480 Title I - Food assistance will contribute to reducing Sri Lanka's food gap; support the GSL's national agriculture, food and nutrition strategy and related policies; and generate local currency to support rural development activities with a priority on irrigation, water management and diversified agricultural production.

PL 480 Title II - Voluntary agency Maternal/Child Health programs will continue; however, school-feeding programs will be phased out during the year.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SRI LANKA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
DEVELOPMENT SERVICES AND TRAINING		G	383-0044	78	84	5,750	5,750	5,750	5,423	---	---	---	---
AGRICULTURAL EDUCATION DEVELOPMENT		G	383-0049	78	82	7,500	7,500	7,500	6,670	---	830	---	176
REFORESTATION AND WATERSHED MANAGEMENT		G	383-0055	80	85	1,450	1,450	1,450	984	---	290	---	---
REFORESTATION AND WATERSHED MANAGEMENT		L	383-0055	80	85	9,000	6,843	6,843	1,461	---	210	---	147
MAHAWELI BASIN DEVELOPMENT I		L	383-0056	80	80	10,000	10,000	10,000	5,396	---	669	---	500
WATER MANAGEMENT I		G	383-0057	79	84	5,100	4,000	4,000	4,235	---	150	---	---
WATER MANAGEMENT I		L	383-0057	79	84	10,800	8,800	8,800	7,064	---	800	---	---
DIVERSIFIED AGRICULTURAL RESEARCH		G	383-0058.	84	95	7,900	7,900	7,900	69	---	950	---	1,200
DIVERSIFIED AGRICULTURAL RESEARCH		L	383-0058	84	85	3,500	3,500	3,500	11	---	1,030	---	1,900
PVO CO-FINANCING		G	383-0060	79	87	2,500	2,500	2,500	517	---	500	---	700
MAHAWELI BASIN DEVELOPMENT II		G	383-0073	81	86	3,000	6,000	3,000	302	2,000	1,718	---	980
MAHAWELI BASIN DEVELOPMENT II		L	383-0073	81	86	107,000	107,000	107,000	82,252	---	13,042	---	---
MAHAWELI ENVIRONMENT		G	383-0075	82	84	5,000	5,000	5,000	318	---	1,400	---	2,000
IRRIGATION SYSTEMS MANAGEMENT		G	383-0080	86	89	---	4,700	---	---	2,525	100	1,175	1,300
IRRIGATION SYSTEMS MANAGEMENT		L	383-0080	86	89	---	11,000	---	---	5,000	500	6,000	2,000
PRIVATE ENTERPRISE PROMOTION		G	383-0082	83	83	1,500	1,500	1,500	348	---	300	---	400
AG PLANNING AND ANALYSIS		G	383-0083	86	87	---	4,525	---	---	1,625	230	275	320
AG PLANNING AND ANALYSIS		L	383-0083	86	87	---	3,300	---	---	1,500	430	1,000	570

*Refers to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SRI LANKA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DEVELOPMENT MANAGEMENT AND TRAINING		G	383-0085	86	89	---	3,200	---	---	1,200	400	550	800
DEVELOPMENT MANAGEMENT AND TRAINING		L	383-0085	86	89	---	1,500	---	---	1,500	150	---	250
RURAL ENTERPRISE DEVELOPMENT	*	G	383-0090	87	90	---	10,000	---	---	---	---	4,000	800
RURAL ENTERPRISE DEVELOPMENT	*	L	383-0090	87	90	---	25,000	---	---	---	---	6,000	1,000
TOTAL FOR ACCOUNT						180,000	241,768	175,543	115,052	16,350	23,699	19,000	15,043
GRANTS						39,700	64,825	39,400	18,866	8,350	6,868	6,000	8,676
LOANS						140,300	176,943	136,143	96,186	8,000	16,831	13,000	6,367
HEALTH													
MALARIA CONTROL		G	383-0043	78	85	4,000	3,000	3,000	707	---	1,000	---	1,000
MALARIA CONTROL		L	383-0043	78	85	26,000	25,500	25,500	19,966	---	3,587	---	1,793
PVO CO-FINANCING		G	383-0060	79	87	1,224	1,224	924	432	---	150	---	150
NATIONAL INSTITUTE OF HEALTH SCIENCES		G	383-0062	80	82	2,200	1,900	1,900	240	---	800	---	500
MARKET TOWN WATER SUPPLY		L	383-0063	80	82	6,000	5,100	5,100	3,309	---	---	---	---
WATER SUPPLY & SANITATION SECTOR		G	383-0088	84	89	5,000	5,000	3,000	110	2,000	1,100	---	1,091
WATER SUPPLY & SANITATION SECTOR		L	383-0088	84	89	7,300	7,300	6,400	50	---	2,000	---	2,080
TOTAL FOR ACCOUNT						51,724	49,024	45,824	24,814	2,000	8,637	---	6,614
GRANTS						12,424	11,124	8,824	1,489	2,000	3,050	---	2,741
LOANS						39,300	37,900	37,000	23,325	---	5,587	---	3,873
EDUCATION AND HUMAN RESOURCES													
PVO CO-FINANCING		G	383-0060	79	87	959	959	859	452	100	150	---	150
TOTAL FOR ACCOUNT						959	959	859	452	100	150	---	150
GRANTS						959	959	859	452	100	150	---	150
LOANS						---	---	---	---	---	---	---	---

SELECTED DEVELOPMENT ACTIVITIES

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SRI LANKA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
PVO CO-FINANCING	G	383-0060	79	87	1,800	1,856	1,106	265	750	250	---	250
PRIVATE ENTERPRISE PROMOTION	G	383-0082	83	83	1,500	1,500	1,500	695	---	605	---	400
PRIVATE ENTERPRISE PROMOTION	L	383-0082	83	83	1,000	1,000	1,000	251	---	400	---	250
DEVELOPMENT MANAGEMENT AND TRAINING	G	383-0085	86	89	---	1,800	---	---	800	50	1,000	250
TOTAL FOR ACCOUNT					4,300	6,156	3,606	1,011	1,550	1,305	1,000	1,150
GRANTS					3,300	5,156	2,606	760	1,550	905	1,000	900
LOANS					1,000	1,000	1,000	251	---	400	---	250
TOTAL FOR COUNTRY					236,983	297,907	225,832	141,329	20,000	33,791	20,000	22,957
GRANTS					56,383	82,066	51,689	21,567	12,000	10,973	7,000	12,467
LOANS					180,600	215,843	174,143	119,762	8,000	22,818	13,000	10,490

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SRI LANKA

PLANNED PROGRAM SUMMARY SHEET

Title Rural Enterprise Development		Funding Source	AG, RD & N 6,000 (L) 4,000 (G)	Health	PROPOSED OBLIGATION *(In thousands of dollars)* FY 1987 6,000 (L) 4,000 (G)		Life of Project Funding 25,000 (L) 10,000 (G)
Number 383-0090 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1990	Estimated Completion Date of Project FY 1993

Purpose: The purpose of the project will be to stimulate rural enterprise development and employment linked to major irrigation systems settlements in Sri Lanka.

Project Description: The Rural Enterprise Development project will seek ways to maximize the employment generation potential linked to Sri Lanka's major irrigation-based agricultural production areas. The project will focus geographically on the new settlement areas included in the Mahaweli Development schemes and on the older settlement areas dependent on other major tank irrigation systems. The project will include a wide range of enterprise development subactivities addressing the needs of micro-level, small/medium-level and large-scale commercial and industrial businesses. Emphasis throughout will be on private sector business and the removal of constraints faced by the private sector. Clients will include businesses serving consumer demand in the settlement areas, manufacturing or commercial enterprises providing inputs for general agricultural production and firms involved in the processing of agricultural products for sale in the domestic or export market. Specific project components will include institution-building for enterprise promotion organizations serving the project-assisted areas, technology/product development, pilot project test marketing, investor services/investment promotion, entrepreneur development/business skill training and credit facilities.

Relationship of Project to A.I.D. Country Strategy: The project will directly address the strategy objective of increased off-farm employment and rural enterprise. It will also indirectly address the strategy objective of increased agricultural productivity and farm incomes, through the stimulation of businesses engaged in both buying crops from and providing inputs to farm families in the settlement areas.

Beneficiaries: The immediate beneficiaries will be all those having a role in businesses supported or created through assistance provided by the project. Indirectly, through multiplier effects, the anticipated increased level of business activity will benefit a much wider group in the project-assisted areas.

Host Country and Other Donors: The project will be coordinated with principal private sector organizations, other enterprise promotion activities being conducted by government agencies, by public and private commercial and development banks, and by other donors (e.g. World Bank's Small and Medium Industry credit program and A.I.D.'s Private Enterprise Promotion Project).

Major Outputs: Agro-industrial estates with a centralized support facility utilizing out-growers, mini-industrial estates located in established township centers, a revolving credit fund and a training center for small industries.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Grants to finance (a) training for investment promotion and business development, study tours to examine similar schemes in the region, and in-country training for entrepreneurial development; and (b) technical assistance in the areas of credit, farm management small business promotion, and development of new crops.	$10,000
Loan funds to capitalize a revolving credit fund and to support the infrastructural development of agricultural production zones.	25,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	10,000	25,000	35,000

Principal Contractors or Agencies

THAILAND

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COUNTRY: (493) THAILAND                           FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     51,546

PER CAPITA GNP.......... (DOLLARS,1983)        820

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  4.3%

ANNUAL RATE OF INFLATION (1973-83)  8.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976)   5.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1985)   TOTAL 63.9  MALE 62.0  FEMALE 65.8
                   (1970)   TOTAL 58.1  MALE 56.1  FEMALE 60.3

ADULT LITERACY RATE  (1980)  TOTAL  88%  MALE  92%  FEMALE  84%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)   1.9%

AGRICULTURAL PRODUCTION AS % OF GDP...........(1983)   23%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      250


MAJOR CROP(S)
  SUBSISTENCE: RICE .. ..                     ARABLE LAND  YEAR
  CASH: CORN ,CASSAVA ,.                          50%    (1984)
                                                  17%    (1984)
MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,ROOTS AND TUBERS ,RUBBER

MAJOR AGRICULTURAL IMPORTS:(1984) COTTON ,DAIRY PRODS. ,OILSEEDS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1983)   70%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1982)      5,072 (83)       6,008 (84)        6,373
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1982)      7,174 (83)       7,628 (84)        8,036
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1982)     -2,102 (83)      -1,620 (84)       -1,663
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDI/URES.. (1982) 20.6% (83) 19.9% (84) 19.8%
  AS % OF GNP................. (1982)  3.8% (83)  3.8% (84)  3.9%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)           (1982) 2,652 (83) 2,556 (84) 2,689
  EQUIVALENT TO  2.4 MONTHS OF IMPORTS (1984)

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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)RICE                  ,SUGAR             CORN

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  881  (1983)  953  (1984)1,276
   AS % OF TOTAL EXPORTS (1982)   14% (1983)   16% (1984)   18%

MAJOR IMPORTS(1983)MACH,TRANSP EQ ,FUELS/LUBRICANT,BASE METALS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,144  (1983)1,299  (1984)1,391
   AS % OF TOTAL IMPORTS (1982)   17% (1983)   15% (1984)   15%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -750(83) -2,871(84)-1,927

TRADING PARTNERS: JAPAN ,UNITED STATES ,SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    26.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983)   949
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  15.0%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.8% (1978)   2.1% (1985)  1.7%

POPULATION IN URBAN AREAS............(1970)    13%   (1985)   16%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    39    (1985)    26

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1981)  59.0%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 36.5% (15-64YRS) 60.2% (65+ YRS)  3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  57

PEOPLE PER PHYSICIAN............... (1979)  7,104

MAJOR CAUSES OF
DISEASE (1981) MALARIA              ,INFLUENZA        ,SHIGELLOSIS
DEATH.. (1978) ACUTE RESP. INFE,SENILITY              ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   104%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  63%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY........ (1980)  TOTAL  99.5   MALE   102     FEMALE  97.7
SECONDARY...... (1981)  TOTAL  28.2   MALE  23.4     FEMALE  20.0
POST SECONDARY.. (1981) TOTAL  15.6   MALE   4.8     FEMALE   3.6

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)    20.0%
```

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY THAILAND

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	29.6	30.8	36.4	28.8	41.9	877.4	96.9	780.5
Loans	5.8	12.2	17.7	7.0	18.1	179.9	96.9	83.0
Grants	23.8	18.6	18.7	21.8	23.8	697.5	-	697.5
a. A.I.D. and Predecessor Agencies	26.0	26.2	31.2	22.6	35.9	790.3	80.6	709.7
Loans	5.8	12.2	17.7	7.0	18.1	156.3	80.6	75.7
Grants	20.2	14.0	13.5	15.6	17.8	634.0	-	634.0
(Economic Support Fund)	2.0	2.0	5.0	5.5	9.1	435.7		
b. Food for Peace (PL 480)	-	-	-	-	-	23.0	9.2	13.8
Loans	-	-	-	-	-	17.4	9.2	8.2
Grants	-	-	-	-	-	5.6	-	5.6
Title I – Total Sales Agreements	-	-	-	-	-	17.4	9.2	8.2
Repayable in U.S. Dollars – Loans	-	-	-	-	-	13.8	4.0	9.8
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	3.6	5.2	1.6-
Title II – Total Grants	-	-	-	-	-	5.6	-	5.6
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	*	-	*
Voluntary Relief Agencies	-	-	-	-	-	5.6	-	5.6
c. Other Economic Assistance	3.6	4.6	5.2	6.2	6.0	64.1	7.1	57.0
Loans	-	-	-	-	-	6.2	7.1	0.9-
Grants	3.6	4.6	5.2	6.2	6.0	57.9	-	57.9
Peace Corps	1.9	2.1	2.3	2.7	3.0	42.3	-	42.3
Narcotics	1.6	2.5	2.9	3.4	3.0	15.7	-	15.7
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	37.4	54.8	80.7	96.2	101.2	1997.7	176.1	1821.6
Credits or Loans	36.0	53.6	74.7	76.0	94.0	468.0	176.1	291.9
Grants	1.4	1.2	6.0	20.2	7.2	1529.7	-	1529.7
a. MAP Grants	0.6	0.4	4.5	18.5	5.0	1137.1	-	1137.1
b. Credit Financing – FMS	36.0	53.6	74.7	76.0	94.0	468.0	176.1	291.9
c. Military Assistance Service Funded (MASF) Grants	0.8	0.8	1.5	1.7	2.2	92.0	-	92.0
d. Transfers from Excess Stocks	-	-	-	-	-	243.2	-	243.2
e. Other Grants	-	-	-	-	-	17.6	-	17.6
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	67.0	85.6	117.1	125.0	143.1	2875.1	273.0	2602.1
Loans	41.8	65.8	92.4	83.0	112.1	647.9	273.0	374.9
Grants	25.2	19.8	24.7	42.0	31.0	2227.2	-	2227.2
Other U.S. Government Loans and Grants	23.4	4.3	24.6	-	16.3	290.1	228.1	62.0
a. Export-Import Bank Loans	21.7	4.3	24.6	-	16.3	256.0	187.9	68.2
b. All Other Loans	1.7	-	-	-	-	34.1	40.3	6.2-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.........	671.1	290.4	477.2	5779.3
IBRD	393.1	152.6	112.5	3582.0
IFC	62.8	37.7	0.6	232.3
IDA	0.0	0.0	0.0	125.1
IDB	0.0	0.0	0.0	0.0
ADB	210.6	75.0	364.1	1719.8
AFDB	0.0	0.0	0.0	0.0
UNDP	4.6	1.6	0.0	70.8
OTHER-UN	0.0	3.5	0.0	49.3
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	24.0	24.0	102.0
Japan	189.3	272.6	1,186.0
Germany,Fed. Rep.	31.1	28.9	233.8
Australia	13.2	15.9	70.8
Canada	8.2	9.9	38.7
Other	31.7	21.9	153.8
Total	297.5	373.2	1,785.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
32.7	N.A.	56.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

THAILAND

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	10,100	500	–	–	–	9,600	–	–
Grants	22,009	1,109	1,500	700	–	10,700	8,000	–
Total	32,109	1,609	1,500	700		20,300	8,000	
1986								
Loans	9,000	8,000	–	1,000	–	–	–	–
Grants	15,000	4,850	900	200	–	4,050	5,000	–
Total	24,000	12,850	900	1,200		4,050	5,000	
1987								
Loans	9,000	7,600	–	500	–	900	–	–
Grants	15,000	4,600	–	200	–	5,200	5,000	–
Total	24,000	12,200		700		6,100	5,000	

FY 1987
PROGRAM HIGHLIGHTS

- Assistance in dealing with Thailand's emerging rural unemployment problem through promotion of small and medium-scale rural industries, $3 million;
- Scientific and technological modernization, $9 million;
- Improved national development policy formulation, planning and management, $5 million;
- Acceleration of efforts to reduce national population growth;
- Greater participation of Thai private and voluntary organizations in the development process, $1 million;
- Continued ESF support for Thai villagers affected by refugee inflows from Cambodia and Laos, $5 million; and
- Fewer but larger projects, more intensive project management, and greater focus on monitoring and evaluation.

THAILAND

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	10,035	15,907	22,343
Grants	12,432	22,824	21,295
Total AID	22,467	38,731	43,638
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	22,467	38,731	43,638

** AID levels represent actual and estimated expenditures*

*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

THAILAND

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	22.3	22.8	21
PASA[b]	1	1	0
TOTAL	23	23	21

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	26	37	63	40	67	107	50	60	110
Regional[e]	–	–		–	–		–	–	
TOTAL	26	37	63	40	67	107	50	60	110

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	32	32	5	45	50	–	65	65
Regional[e]	–	10	10	–	10	10	–	10	10
TOTAL		42	42	5	55	60		75	75

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

THAILAND

Development Overview

During the period 1960-80 Thailand's economy experienced a consistently high rate of growth. Gross Domestic Product (GDP) in real terms registered an average growth rate of about 7% annually over the last decade. With a per capita income of about $820 (1983), Thailand is approaching middle-income status. Previous high growth notwithstanding, Thailand's economy has decelerated considerably in recent years. Real GDP slowed to 4.1% in 1982 and 5.8% in 1983. Declining world commodity prices and shrinking export market opportunities have led to falling GDP growth rates. This has been evidenced by an unexpected decline in Gross Domestic Investment, which had been 29% of GDP in FY 1979 and more recently was only 23% of GDP in FY 1984. Gross Domestic Savings also fell from 21% of GDP to 16% during the period FY 1979-83. These are unprecedented events in Thailand.

The pattern of Thailand's growth has been uneven in terms of its sectoral composition and distribution of benefits. Urban locales have experienced the most rapid growth and the rural poor, especially in areas of rainfed agriculture, have benefited least. A variety of structural imbalances have emerged which threaten Thailand's sustained growth. The service of foreign debt has increased as total external debt doubled in five years to $15.5 billion in 1985. The annual servicing payment of $2.4 billion currently represents about 25% of the value of exports of goods, services, and wage remittances by workers in the Middle East. Strict limits have been placed on foreign borrowing by both the private and public sectors. The Royal Thai Government (RTG) limitation on foreign borrowing of $1.6 billion during FY 1985 has been reduced further to $1 billion for FY 1986, thereby postponing a number of large development projects. About one-quarter of the population, an estimated 12 million persons mainly in rural areas, subsist under conditions of absolute poverty. More attention must be given to those who have not yet fully participated in Thailand's development. Past agricultural growth has been based on the expansion of land under cultivation. Limits to arable land have been reached. Future agricultural growth must now come from improved productivity and development of new markets. Industrial growth has focused on import substitution and large-scale, capital-intensive projects. It is now well recognized that future industrial development will require a labor-intensive, export-oriented strategy. Thailand's balance of trade situation has deteriorated markedly in recent years with the current account deficit running at about 5% of GDP. Inefficient, centralized government in Bangkok impedes private sector initiative and local decision-making. The labor force has continued to grow rapidly, over 3% annually, making employment absorption a major issue.

The RTG's Five-Year Economic and Social Development Plan (1982-1986) is addressing most of these basic structural problems. It explicitly moves away from aggregate growth as a sole objective and seeks a more balanced and stable future development pattern. Fiscal policy measures are also being taken to deal with the nation's increasing external debt.

THAILAND

U.S. Interests and Objectives

The United States has a fundamental interest in the stability and independence of Thailand as a contributor to peace and regional cooperation in Southeast Asia. As the "front line state" in concert with its Association of South East Asian Nations (ASEAN) partners, Thailand is central to the preservation of regional security. In support of this goal, U.S. economic policy in Thailand is directed toward the use of trade and investment to help sustain broad-based economic development, with continued reliance on the private sector and openness to the world trading system. The United States and Thailand have a total trade relationship reaching $3 billion a year, with the value of total U.S. direct private investment in Thailand also about $3 billion. U.S. exports to Thailand in 1984 surpassed $1.3 billion.

The continued cooperation of the RTG is essential to several U.S. foreign policy objectives, including refugee programs, anti-piracy activities, the control of illicit narcotics trafficking from Southeast Asia, and support of U.S. security objectives in the region. The United States continues strong support for Thai humanitarian efforts to provide asylum and relief for refugees. The United States has resettled over 350,000 refugees, or about 69% of the total resettled population. The current refugee population in Thailand, however, still exacts enormous demands on economic resources. With the refugee population relatively stable at about 127,000, the RTG will continue to seek U.S. assistance both in resettlement within U.S. borders and in encouraging other countries to increase their aid in this area.

A.I.D.'s development assistance program assists in strengthening Thailand's stability by activities which help provide the basis for economic growth in the northern and northeastern regions of the country where poverty is the most pervasive. A.I.D. activities in the hill areas of the North are helping to achieve the most beneficial use of limited land resources in opium-growing areas. At the national level, A.I.D. programs have been initiated to help Thailand modernize its scientific and technological base, and stimulate economic growth through assistance to small and medium-scale industries in rural areas. In addition, the Economic Support Fund (ESF) program's objective is to counter negative effects on the Thai populations in border areas resulting from the heavy influx of Cambodian and Laotian refugees.

A.I.D. Development Strategy

Thailand's economy is undergoing rapid transition. The primary results of this change are in the areas of employment generation and rural-urban migration. Agriculture currently accounts for over 70% of total employment, 60% of the country's export earnings, and provides the basis for more than half of Thailand's manufactured output. Agriculture's share of GDP, however, has been falling steadily since the mid-1970s and is expected to continue to decline. The country's industrial development is progressing more rapidly, with manufacturing accounting for 18.6% of GDP in 1983. While energy problems remain serious and balance of trade and payment gaps have widened, the most significant issue for the 1980s will be employment generation as a rapidly growing work force faces a decade of potentially slower growth. Current trends in Thai agriculture, among them the increases in intensification and mechanization, augur for a future deterioration of on-farm employment. Off-farm and selective non-farm employment are, and will continue to be, the primary compensatory outlets for labor. A considerable portion of future production growth and rural income at the household level will depend on the availability of productive employment from off-farm sources.

A.I.D. is modifying its development strategy consistent with Thailand's changing status as an emerging middle-income country. The focus of A.I.D.'s program is shifting from a regional poverty perspective to one more capable of accommodating evolutionary changes in Thailand's growth patterns and needs. A.I.D. is working toward a fundamentally redefined relationship in the area of development cooperation, involving a collaborative approach and concentrated on future problem areas. Currently, A.I.D. has an ongoing portfolio of $68 million in projects to stimulate agriculture productivity, and $16 million is being used for support of family planning. While modest but highly selective activities in agriculture and family planning will continue, given these levels and significant other donor support for these two key areas, A.I.D. is moving into other sectors of major development importance during FY 1985-86. The A.I.D. program will also be more concentrated. Fewer, but larger projects will be implemented to achieve greater impact and to permit much tighter management of resources.

A.I.D. Program (FYs 1985-1986)

A. Agriculture, Rural Development and Nutrition

The FY 1986 Rural Industries/Employment project (493-0343) is designed to absorb underemployed rural labor and increase rural wages through job creation in small and medium-scale industries in rural areas. The A.I.D. emphasis on rural industrialization recognizes the importance of agriculture to Thai development. The project, therefore, focuses primarily on the agro-processing industry and small industries that are sources of off-farm employment. The project will also assist small-scale entrepreneurs in regional cities to improve their efficiency and expand their operations as a means of generating employment. The project provides credit through rural commercial bank branches for medium-term loans to agro-processing industries and for shorter term loans to small-scale entrepreneurs not served by the formal credit system. It will also provide training for bank branch staff and rural entrepreneurs. Technical assistance will be used to: (a) develop a commercially viable lending program for small enterprises; (b) improve relationships between farm product suppliers and agro-processing industries and access to markets; (c) develop and implement a Thai Executive Service Corps in which Bangkok business people will assist small rural industries to solve production and marketing problems; and (d) carry out policy studies on constraints to rural industry expansion. Finally, the project will provide assistance to upgrade existing RTG programs to assist rural industries.

The Mae Chaem Watershed Development project (493-0294) is helping to stabilize agricultural practices and improve essential community services in a single watershed of Thailand's northern highlands. Primary beneficiaries are 3,400 hill tribe families living within the watershed area. Project components completed or nearing completion include land terracing, construction of new water resource systems, and construction of agriculture extension centers. The project has completed efforts in Phase I villages and has moved into the more remote and less developed Phase II villages. This project is being carried out in the northern highlands where opium production by hill tribe groups constitutes a major problem. Lessons learned are expected to prove valuable for programs directed at alternative livelihoods for hill tribes presently relying on opium production.

The PVO Co-Financing II project (493-0342) was initiated in FY 1985 to assist private and voluntary organizations (PVOs), both U.S. and Thai, to address the needs of socioeconomically disadvantaged groups. Initial grants have been made for PVO projects to: (a) introduce women entrepreneurs to institutional credit; (b) improve water resource use and develop markets for low-income farm families; and (c) provide employable skills for deaf persons. A.I.D. also financed three workshops for PVOs on project design, implementation and evaluation. Four PVO representatives were provided third country observation/study tours.

FY 1985 project evaluations have been used to make mid-course adjustments in implementation and to improve the impact of A.I.D. assistance. The following three projects illustrate the point.

A special review of the Northeast Small-Scale Irrigation project (493-0312) was conducted to ascertain whether remedial measures to improve implementation were proving effective in meeting planned objectives. This pilot project was initiated in 1977 to rehabilitate reservoir irrigation systems in northeast Thailand which had fallen into disuse. The review found that major management problems had been corrected and that the project now represents a viable approach to the installation of on-farm water distribution systems for both small and medium-scale irrigation. The Operations and Management (O&M) system currently being refined by the project will be the first non-indigenous one completed in Thailand. This is due to the Royal Irrigation Department's new policy goal of viewing O&M activities as equal in importance to construction.

A mid-term evaluation of the Northeast Rainfed Agricultural Development project (493-0308) found that planned activities were progressing despite flaws identified in the project's initial design. Due to the large number of RTG implementing agencies (eight), misunderstandings arose as to responsibilities and objectives. In addition, adjustments in priority sub-activities, e.g., cooperatives and cropping systems technology transfer, were indicated.

A mid-term evaluation of the Khon Kaen University Research Development project (493-0332) produced useful recommendations for improving the quality of research proposals. As a result of the evaluation, the project will be able to improve the University's capacity to play a prominent role in resolving constraints to the development of the Northeast.

B. Population Planning

All activities of the Population Planning II project (493-0325) are progressing as scheduled. Project targets set for the annual growth rate, new acceptors and active users are being met. Approximately two-thirds of a planned 1,520 auxiliary midwives have received training in IUD insertion and have been deployed to work in rural health clinics, making IUD service available in over 1,000 rural communities. Statistical reports show that both female and male sterilizations in the first half of 1985 exceed those of the same period in 1984. In addition, $1 million has been allocated for support of a family health project for the most underserved population of Thailand, the hill tribes. This sub-project is the first major step in institutionalizing provision of village level health care and family planning services to hill tribes through the Ministry of Public Health.

C. Health

A special evaluation was conducted to determine the degree to which Thailand's National Malaria Control Program had obtained its objectives, and to assess the contributions of the recently completed A.I.D. Anti-Malaria project (493-0305). The evaluation team considered the Thailand Anti-Malaria Program to be well-administered and to have features worthy of duplication in other country programs. The team also concluded that the A.I.D.-funded support project contributed to achievement of objectives established for the RTG Anti-Malaria Program. A.I.D.-funded technical assistance, research, and particularly training, were found to have contributed significantly to RTG successes. The project provided pre-service and in-service training for 57,913 individuals from both the public and private sectors.

Under the PVO Co-Financing II project (493-0342), a grant has been awarded to strengthen legal and policy support of the specialized needs of disabled persons in Thailand.

D. Selected Development Activities

The Science and Technology for Development project (493-0340), initiated in FY 1985, is designed to help Thailand expand its capability to identify, develop and produce the scientific knowledge and technology it requires to resolve major problems hindering agricultural and industrial growth. Project-supported activities are centered upon bioscience and biotechnology, materials science, and microelectronics. A specific aim of the project is to facilitate interaction between Thailand's science and technology community and its agricultural/industrial sectors to assure that research, development and engineering efforts advance the national development process. The agency which will have prime responsibility for fostering this increased interaction is the Science and Technology Development Board, which is being created as part of this project. Major functions of the Board include responsibility for: administering research programs; organizing and conducting a continuing review of public policy; and organizing and implementing a program aimed at upgrading the capabilities and enhancing the impact of key standards, testing and quality control organizations in Thailand.

The Emerging Problems of Development II project (493-0341), also initiated in FY 1985, is providing financial and technical support to improve RTG policy formulation, program planning and pre-project analysis in key development areas. Activities planned or underway include an evaluation by the U.S. Corps of Engineers of flood control arrangements for Bangkok and vicinity; provision of a senior American economic advisor to the National Economic and Social Development Board; assistance in developing management case studies and training of regional university faculty and public and private officials in effective management techniques; advisory assistance from the Harvard Institute for International Development to the newly organized Thailand Development Research Institute (TDRI), a private economic "think tank"; assistance to TDRI in carrying out selected macro-economic studies; assistance to the National Economic and Social Development Board in conducting several preparatory studies for the next Five-Year Plan; and assistance to the National Environmental Board to initiate a Thailand National Resources Profile. Strengthening the institutional capacity of the RTG's Department of Technical and Economic Cooperation (DTEC) is also an important element of overall project activities. DTEC coordinates the utilization of all grant-financed external assistance to Thailand.

E. Housing Guaranty Program

Thailand's first national seminar on Housing Development Policy was co-sponsored by A.I.D. and the RTG. The success of this seminar led to other A.I.D. involvement in urban policy including a leading role in the development of urban strategy for the Sixth National Economic and Social Development Plan. Activities include preparation of the Bangkok Metropolitan Region Plan, development of policies for allocating infrastructure financing responsibilities in regional cities, and a nationwide study of the problems of Thailand's urban poor. It is expected that the consequences of A.I.D. involvement in urban policy will include greater commitment to cost recovery and privatization of urban services. Future Housing Guaranty loans are expected to be used to develop the housing finance system and to finance infrastructure development in regional cities.

F. Economic Support Fund

Economic Support Funds contribute to a special RTG program which combines RTG and other donor contributions to help stabilize rural communities along Thailand's borders with Cambodia and Laos. The Thai residents of these communities, numbering some 230,000 people, are adversely affected by recurring border strife and refugee inflows. Under this program the RTG is restoring homesites, building or repairing roads, providing community health systems, schools, adult skills training and other services to communities disrupted by border conditions. With the border situation continuing unabated, the program has been expanded to assist Thais in over 400 affected villages.

Requested Year Program (FY 1987)

A. Agriculture, Rural Development and Nutrition

A.I.D. is requesting funds to complete financing of the Mae Chaem Watershed Development project (493-0294), and to continue support of non-governmental institutions engaged in Thai development under the PVO Co-Financing II project (493-0342). Funds are also planned for the Rural Industries/Employment project (493-0343) to support the training of bank staff and rural entrepreneurs and the development of a Thai Executive Service Corps. To initiate research, development and engineering activities directed at Thailand's agricultural sector, A.I.D. plans to provide additional funding for the Science and Technology Development project (493-0343).

B. Health

A.I.D. plans to continue with health programs directed at community concerns or specialized needs under the PVO Co-Financing II project (493-0342). In addition, funds are being requested for health research initiated by the Science and Technology Development project (493-0340).

C. Selected Development Activities

For expansion of policy research, special studies of key problems, and core training programs, A.I.D. plans to provide additional funds for the Emerging Problems of Development II project (493-0341). Funding support is also planned for continuation of the PVO Co-Financing II and Science and Technology Development projects.

D. Economic Support Fund

ESF is requested to help sustain RTG efforts to stabilize economic and social conditions of Thai villagers in disrupted areas along the borders with Cambodia and Laos.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: THAILAND

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
LAM NAM OON ON-FARM DEVELOPMENT	L	493-0272	77	77	4,500	3,500	3,500	3,399	---	---	---	---
LAND SETTLEMENTS	L	493-0289	79	80	4,000	4,000	4,000	3,653	---	274	---	---
MAE CHAEM WATERSHED DEVELOPMENT	G	493-0294	80	87	10,000	9,300	6,930	3,461	1,100	3,000	1,000	2,539
PVO CO-FINANCING I	G	493-0296	80	86	3,700	3,224	3,224	3,080	---	144	---	---
NE RAINFED AGRICULTURE DEVELOPEMENT	G	493-0308	81	83	3,700	3,700	3,700	1,698	---	750	---	504
NE RAINFED AGRICULTURE DEVELOPEMENT	L	493-0308	81	83	6,300	6,300	6,300	1,867	---	737	---	737
EMERGING PROBLEMS OF DEVELOPMENT I	G	493-0309	80	96	500	500	500	111	---	389	---	---
NORTHEAST SMALL SCALE IRRIGATION	G	493-0312	80	91	2,800	2,800	2,800	1,959	---	510	---	40
NORTHEAST SMALL SCALE IRRIGATION	L	493-0312	80	81	5,800	5,800	5,800	1,557	---	2,140	---	2,103
DECENTRALIZED DEVELOPMENT MANAGEMENT	G	493-0315	81	83	3,100	3,100	3,100	2,125	---	555	---	---
DECENTRALIZED DEVELOPMENT MANAGEMENT	L	493-0315	81	83	7,500	7,500	7,500	5,897	---	1,000	---	---
AGRICULTURAL PLANNING	G	493-0317	80	82	3,200	2,737	2,737	1,999	---	253	---	21
MICRO/MINI HYDROELECTRIC	G	493-0324	82	82	100	100	100	---	---	50	---	50
MICRO/MINI HYDROELECTRIC	L	493-0324	82	82	8,000	8,000	8,000	1,023	---	2,810	---	2,620
SEED DEVELOPMENT II	G	493-0326	82	82	100	100	100	24	---	---	---	76
SEED DEVELOPMENT II	L	493-0326	82	82	6,100	6,100	6,100	4,006	---	978	---	1,116
PRIVATE SECTOR IN DEVELOPMENT PROJECT	G	493-0329	83	93	3,000	3,000	3,000	953	---	1,168	---	879
KHON KAEN UNIVERSITY	G	493-0332	83	83	2,000	2,000	2,000	601	---	459	---	637

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: THAILAND

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURAL TECHNOLOGY TRANSFER	G	493-0337	84	84	500	500	500	117	---	297	---	86
AGRICULTURAL TECHNOLOGY TRANSFER	L	493-0337	84	84	4,500	4,500	4,500	294	---	658	---	518
RURAL DEVELOPMENT MONITORING/EVALUATION	L	493-0339	84	84	5,000	5,000	5,000	112	---	1,381	---	1,906
SCIENCE AND TECHNOLOGY DEVELOPMENT	G	493-0340	85	88	500	500	500	---	---	150	---	150
SCIENCE AND TECHNOLOGY DEVELOPMENT	L	493-0340	85	88	14,500	59,500	500	---	---	200	7,600	2,000
PVO CO-FINANCING II	G	493-0342	85	89	3,000	3,000	609	25	600	180	600	360
RURAL INDUSTRIES/EMPLOYMENT	G	493-0343	86	89	---	5,000	---	---	3,150	---	3,000	1,000
RURAL INDUSTRIES/EMPLOYMENT	L	493-0343	86	89	---	35,000	---	---	9,000	---	---	2,000
TOTAL FOR ACCOUNT					102,400	184,461	80,970	37,751	12,850	19,083	12,200	19,342
GRANTS					36,200	39,261	29,770	15,943	4,850	7,905	4,600	6,342
LOANS					66,200	145,200	51,200	21,808	8,000	10,178	7,600	13,000
POPULATION PLANNING												
POPULATION PLANNING II	G	493-0325	82	86	8,517	8,517	9,086	3,451	900	2,170	---	2,865
POPULATION PLANNING II	L	493-0325	82	86	9,868	9,868	8,368	3,443	---	2,467	---	1,635
TOTAL FOR ACCOUNT					18,385	18,385	17,454	6,894	900	4,637	---	4,500
GRANTS					8,517	8,517	9,086	3,451	900	2,170	---	2,865
LOANS					9,868	9,868	8,368	3,443	---	2,467	---	1,635
HEALTH												
RURAL PRIMARY HEALTH CARE EXPANSION	L	493-0291	78	84	7,500	6,983	6,983	4,532	---	2,446	---	5
MALARIA AND VECTOR CONTROL	L	493-0305	79	79	4,000	4,000	4,000	3,922	---	---	---	---
PWWA INSTITUTIONAL DEVELOPMENT	L	493-0331	84	84	5,700	5,700	5,700	60	---	328	---	2,850
SCIENCE AND TECHNOLOGY DEVELOPMENT	G	493-0340	85	88	500	500	500	---	---	150	---	150

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: THAILAND

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SCIENCE AND TECHNOLOGY DEVELOPMENT		L	493-0340	85	88	1,500	1,500	---	---	1,000	200	500	800
PVO CO-FINANCING II		G	493-0342	85	89	1,000	1,000	200	---	200	60	200	120
TOTAL FOR ACCOUNT						20,200	19,683	17,383	8,516	1,200	3,184	700	3,925
GRANTS						1,500	1,500	700	---	200	210	200	270
LOANS						18,700	18,183	16,683	8,516	1,000	2,974	500	3,655
EDUCATION AND HUMAN RESOURCES													
HILL AREA EDUCATION		G	493-0297	80	81	1,600	1,600	1,600	1,394	---	206	---	---
TOTAL FOR ACCOUNT						1,600	1,600	1,600	1,394	---	206	---	---
GRANTS						1,600	1,600	1,600	1,394	---	206	---	---
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
EMERGING PROBLEMS OF DEVELOPMENT I		G	493-0309	80	86	5,200	5,200	5,200	4,624	---	376	---	---
PRIVATE SECTOR IN DEVELOPMENT PROJECT		G	493-0329	83	85	500	500	500	140	---	208	---	152
SCIENCE AND TECHNOLOGY DEVELOPMENT		G	493-0340	85	88	7,500	7,500	7,500	---	---	662	---	1,246
SCIENCE AND TECHNOLOGY DEVELOPMENT		L	493-0340	85	88	10,500	10,500	9,600	---	---	285	900	4,053
EMERGING PROBLEMS OF DEVELOPMENT II		G	493-0341	85	88	18,000	18,000	3,000	153	3,850	2,567	5,000	5,300
PVO CO-FINANCING II		G	493-0342	85	89	1,000	1,000	200	35	200	60	200	120
TOTAL FOR ACCOUNT						42,700	42,700	26,000	4,952	4,050	4,321	6,100	10,871
GRANTS						32,200	32,200	16,400	4,952	4,050	4,033	5,200	6,818
LOANS						10,500	10,500	9,600	---	---	285	900	4,053
ECONOMIC SUPPORT FUND													
AFFECTED THAI PROGRAM		G	493-0327	80	87	27,000	42,000	27,000	18,579	5,000	8,300	5,000	5,000

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: THAILAND

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT				27,000	42,000	27,000	19,579	5,000	8,300	5,000	5,000
GRANTS				27,000	42,000	27,000	19,579	5,000	8,300	5,000	5,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				212,285	308,829	170,407	78,084	24,000	39,731	24,000	43,638
GRANTS				107,017	125,078	84,556	44,319	15,000	22,824	15,000	21,295
LOANS				105,268	183,751	85,851	33,765	9,000	15,907	9,000	22,343

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*Refers to the planned project summary sheet

L Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

TUNISIA

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                                                  FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (664) TUNISIA

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)       7,259

PER CAPITA GNP............ (DOLLARS,1983)      1,290

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  5.0%

ANNUAL RATE OF INFLATION (1973-83)  9.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975)   6.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 62.4  MALE 60.6  FEMALE 64.3
                    (1970)   TOTAL 54.2  MALE 53.8  FEMALE 54.8

ADULT LITERACY RATE  (1980)  TOTAL  47%  MALE  61%  FEMALE  32%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)   0.8%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    13%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        82


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT  BARLEY                             26%   (1984)
  CASH: OLIVES ,WHEAT  CITRUS FRUIT                      44%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) OLIVE OIL ,WINE ,ORANGES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RAW SUGAR ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    35%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1980)     2,793 (81)      2,704 (82)      2,803
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1980)     3,037 (81)      2,916 (82)      3,223
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1980)      -224 (81)       -212 (82)       -420
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 11.1% (81)  7.8% (82) 14.0%
  AS % OF GNP.................. (1980)  4.1% (81)  2.7% (82)  5.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)  612 (83)  572 (84)  410
  EQUIVALENT TO  1.8 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1982)CR PETROLEUM   ,TEXTILES       ,PHOSPHATES

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  447  (1983)  356  (1984)  275
   AS % OF TOTAL EXPORTS (1981)   24% (1982)   30% (1983)  26%

MAJOR IMPORTS(1982) MANUFACTURES  , RAW MATERIALS ,

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  250  (1983)  283  (1984)  220
   AS % OF TOTAL IMPORTS (1981)   10% (1982)   10% (1983)  11%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,042(82) -1,253(83)-1,178

TRADING PARTNERS: FRANCE ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    65.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   598
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).....  (1983)  40.1%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   1.9% (1978)   2.5% (1985)  2.3%

POPULATION IN URBAN AREAS..............(1970)    43%  (1985)   56%

LIVE BIRTHS PER 1,000 POPULATION......(1970)    38    (1985)     30

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)  40.7%

POPULATION (1985) IN AGE GROUP
                 (0-14YRS) 39.7% (15-64YRS) 56.4% (65+ YRS)  3.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  53

PEOPLE PER PHYSICIAN.................. (1980)  3,686

MAJOR CAUSES OF
DISEASE (1981) MEASLES          ,TUBERCULOSIS    ,HEPATITIS
DEATH.. (1978) TUBERCULOSIS     ,GASTROINTESTINAL,DIPHTHERIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1981)   116%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982)  63%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL   109   MALE   121     FEMALE  96.4
SECONDARY........ (1982)  TOTAL  36.8   MALE  42.8     FEMALE  26.6
POST SECONDARY... (1981)  TOTAL   4.0   MALE   5.5     FEMALE   2.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      201%
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U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

COUNTRY TUNISIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE - TOTAL	29.0	39.8	16.7	18.6	17.7	985.3	259.1	726.2
Loans	17.3	25.2	8.5	11.1	13.5	455.4	259.1	196.3
Grants	11.7	14.6	8.2	7.5	4.2	529.9	-	529.9
a. A.I.D. and Predecessor Agencies	10.9	25.3	5.0	5.0	1.6	428.6	119.0	309.6
Loans	4.7	16.0	-	-	-	236.6	119.0	117.6
Grants	6.2	9.3	5.0	5.0	1.6	192.0	-	192.0
(Economic Support Fund)	-	-	5.0	5.0	1.5	23.1		
b. Food for Peace (PL 480)	17.4	13.7	10.6	12.6	14.7	534.8	140.1	394.7
Loans	12.6	9.2	8.5	11.1	13.5	218.8	140.1	78.7
Grants	4.8	4.5	2.1	1.5	1.2	316.0	-	316.0
Title I - Total Sales Agreements	12.6	9.2	8.5	11.1	13.5	226.2	140.1	86.1
Repayable in U.S. Dollars - Loans	12.6	9.2	8.5	11.1	13.5	154.3	71.0	83.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	71.9	69.1	2.8
Title II - Total Grants	4.8	4.5	2.1	1.5	1.2	308.6	-	308.6
Emerg. Relief, Econ. Develop. & World Food Program	3.9	1.3	-	-	-	255.2	-	255.2
Voluntary Relief Agencies	0.9	3.2	2.1	1.5	1.2	53.4	-	53.4
c. Other Economic Assistance	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Loans	-	-	-	-	-	-	-	-
Grants	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Peace Corps	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	15.6	15.7	96.2	102.0	111.6	501.8	154.2	347.6
Credits or Loans	15.0	15.0	95.0	87.0	92.0	411.5	154.2	257.3
Grants	0.6	0.7	1.2	15.0	19.6	90.3	-	90.3
a. MAP Grants	*	*	-	13.8	18.0	72.2	-	72.2
b. Credit Financing - FMS	15.0	15.0	95.0	87.0	92.0	411.5	154.2	257.3
c. Military Assistance Service Funded (MASF) Grants	0.6	0.7	1.2	1.2	1.6	11.2	-	11.2
d. Transfers from Excess Stocks	-	-	-	-	-	6.9	-	6.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	44.6	55.5	112.9	120.6	129.3	1487.1	413.3	1073.8
Loans	32.3	40.2	103.5	98.1	105.5	866.9	413.3	453.6
Grants	12.3	15.3	9.4	22.5	23.8	620.2	-	620.2
Other U.S. Government Loans and Grants	11.5	56.9	-	-	-	131.3	78.3	53.0
a. Export-Import Bank Loans	11.5	56.9	-	-	-	110.6	54.7	55.9
b. All Other Loans	-	-	-	-	-	20.7	23.6	2.9-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL..........	151.1	221.6	245.3	1925.3
IBRD	145.8	135.1	141.0	1479.4
IFC	0.0	1.0	2.3	65.1
IDA	0.0	0.0	0.0	70.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	84.7	93.0	201.1
UNDP	3.8	0.8	0.0	48.7
OTHER-UN	1.5	0.0	0.0	10.9
EEC	0.0	0.0	9.0	50.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1976-83
United States	14.0	25.0	94.0
France	58.8	44.0	382.1
Germany,Fed. Rep.	67.0	57.7	332.0
Austria	0.3	8.5	93.9
Japan	10.4	13.9	76.0
Other	31.6	33.6	230.0
Total	182.1	182.7	1,208.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
44.0	N.A.	241.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	25	-	125
Eastern Europe	50	-	280
Total	75	-	405

TUNISIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans				–	–	–	–	
Grants	22,630		2,500	–	–	40	20,000	90*
Total	22,630		2,500			40	20,000	90*
1986								
Loans		–	–	–	–	–	–	–
Grants	19,140	–	–	–	–	–	19,140	
Total	19,140						19,140	
1987								
Loans		–	–	–	–	–	–	–
Grants	20,000			–	–	–	20,000	
Total	20,000						20,000	

* Disaster Relief Funds

FY 1987
PROGRAM HIGHLIGHTS

- $11.3 million ESF for agriculture, and rural development.
- $6.7 million ESF for technology transfer through scholarship support for undergraduate and graduate technical degree programs in the U.S., the second largest A.I.D. academic participant training program in the world.
- $2 million ESF for promotion of private sector development.
- $5 million in PL-480 Title 1 to help meet grain import needs, to support policy reforms in agriculture, and to promote the continuing development of the agricultural credit system.

TUNISIA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	3,361	6,124	2,750
Grants	7,810	21,237	21,150
Total AID	11,171	27,361	23,900
P.L. 480 **			
Title I	5,000	2,500	5,000
(of which Title III is)	(-)	(-)	(-)
Title II	640	0	0
Total P.L. 480	5,640	2,500	5,000
Total AID and P.L. 480	16,811	29,861	28,900

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat			19,000	2,500	39,000	5,000
Rice						
Feedgrains	49,000	5,000				
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	49,000	5,000	19,000	2,500	39,000	5,000
Title II 1/						
Voluntary Agencies	3,243	640				
Government - to - Government	-	-	-	-	-	-
Title II Total	3,243	640				
Total P.L. 480	52,243	5,640	19,000	2,500	39,000	5,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

TUNISIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7.4	10	12
PASA[b]	1.0	1	1
TOTAL	8	11	13

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	510	30	540	545	47	592	710	55	765
Regional[e]	–	4	4	–	5	5	–	7	7
TOTAL	510	34	544	545	52	597	710	62	772

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	2	2	–	8	8	–	2	2
Regional[e]	–	4	4	–	26	26	–	26	26
TOTAL	–	6	6	–	34	34	–	28	28

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

TUNISIA

Development Overview

Rising oil production and sharply higher oil prices over the decade of the 1970's allowed Tunisia virtually to double its Gross Domestic Product (GDP). However, since 1981 the country's real rate of growth slowed to an average annual rate of 3.9 percent, a sharp drop from the 6.3 percent annual average of the 1970's. Several factors contributed to this decline. Domestic oil consumption outpaced domestic oil production. There was a severe drought which necessitated sharply higher food imports. The previously declining population growth rate leveled off at the high rate of 2.5 percent per year. The global recession hurt Tunisian exports and reduced both tourist revenues and worker remittances. Notwithstanding small increases in bread prices, the consumer subsidy bill rose to 4 percent of Gross National Product (GNP) in 1984, and there was a further buildup in domestic arrears with respect to subsidized goods. Also, transfers to parastatals increased. Plagued by both widening trade and budget deficits, the government borrowed large sums from both domestic and external sources. The result is a foreign external debt approaching $4 billion and projections indicate that the debt service ratio for 1985 may be as high as 21 percent, reflecting a continuing upward trend.

This year the economy is expected to grow by about 5.5 percent continuing the slow improvement begun in 1983. A bumper crop is the major factor in this recovery, although the tourist season also was excellent. On the other hand, oil prices are continuing to slide downward and remittances have been affected negatively by Libyan expulsions of Tunisian workers.

The recent expulsion of over 20,000 Tunisian workers plus their families from Libya exacerbates an already difficult economic policy environment. To deal with widening trade and budget deficits, the Government of Tunisia (GOT) has imposed strict limits on consumer imports, reduced planned public expenditure, and reduced the subsidies on some sensitive consumer products. The government has taken parallel action to slow the increase in incomes by linking wage increases for workers in public sector and parastatal enterprises to increased productivity. These measures, while intended to create a sounder economic foundation, will entail slower growth over the short term. The economy, however, remains a centrist one, which is not market oriented.

U.S. Interests and Objectives

Tunisia's importance to the United States arises from its strategic geographic location in the Mediterranean Basin and the Government's political orientation. The overall United States objective is to maintain its close ties with and support an independent, non-communist, pro-Western Government. President Bourguiba's official visit to the United States in July 1985 reaffirmed his country's longlasting friendship with the United States and Tunisia's willingness to work with us toward peace in the Middle East. Events in the Middle East and Mediterranean region generally have tended to complicate progress on the peace process.

Serious social and economic tensions, exacerbated by the politically motivated expulsion of thousands of Tunisian workers from Libya in mid-1985, pose a threat to the continuation of a stable Tunisian democratic society. Political considerations, in addition to United States developmental and humanitarian objectives, have required the United States to take an active interest in helping Tunisia address the socio-economic needs of its people at a particularly difficult time in the country's history. U.S. economic aid is viewed as tangible proof of U.S. support for the country's stability in the face of potential internal and external threats.

A.I.D. Assistance Strategy

A.I.D.'s opportunity to impact on policy change and on development in Tunisia is primarily at the sector and project-level, and in certain selected areas. Our strategy is to concentrate resources in these areas where the possibility of success has already been established. These include:

--promoting continuing policy change and greater productivity in the agriculture sector;

--promoting awareness of the benefits of an expanded private sector, and encouraging initial steps towards a more market-oriented economy;

--further strengthening key Tunisian institutions A.I.D. has assisted in the past, and which are contributing to development, and which are of continuing importance to post-aid ties to the United States, e.g. the Central Tunisia Development Authority and the Tunisian School of Management;

--using technology transfer and U.S. training in crucial technical disciplines to achieve our objectives.

A.I.D. Program (FY 1985-FY 1986)

PL 480 Title I is an integral part of our Food Production strategy. A late-1984 evaluation, found that leverage provided by PL 480 agreements has led to increased use of appropriate fertilizers, a four-fold increase in the number of private sector fertilizer distributors due to increased price margins, and timely setting of market rate prices for cereals. Local currency generated by PL 480 sales is used to support the Supervised Agricultural Credit Project (664-0302) which is designed to develop viable credit systems for small farmers in northern Tunisia. To date over 9,000 farmers have been assisted in securing inputs and financing enabling them to substantially increase their production. Recent surveys and an evaluation show that farmers who have participated for three or more years in the project have attained an average of one hundred percent increases in net farm revenues. This project is the first instance in Tunisia of the provision of cash loans, rather than in-kind agricultural inputs, thus permitting the farmer to select from both public and private sector suppliers. Moreover, the project has achieved the highest reimbursement rate of any agricultural credit project in Tunisia.

Under the Agriculture Research and Extension project (664-0327) A.I.D. is supporting a major departure in Tunisian research methodology by encouraging interdisciplinary and inter-institutional cooperation. The project is making production technology available to the small farmer. Under the Agriculture Technology Transfer project (664-0304) forty-five long term participants have returned from training and have been reintegrated into the Ministry of Agriculture in high level teaching, research and management positions. The national soils service laboratory and two major agricultural libraries have been fully equipped and staffed. Linkages have been established between Tunisian and U.S. institutions through cooperative research projects and exchanges of professors on long-term sabbaticals.

Under the Private Sector Development and Technology Transfer project (664-0328), A.I.D. is helping the Tunisian private sector in a variety of ways.

Our policy dialogue agenda is aimed at highlighting the benefits to the economy of an expanded private sector as well as dealing with selected barriers to private sector growth. For example, modern financial leasing is an effective means of providing financing to small and medium scale enterprises. Until recently, the GOT was not supportive of the introduction of leasing in the country. In 1984 A.I.D. financed attendance of four Tunisians from development banks, Ministry of Finance and the Central Bank at a leasing conference in Rome. This relatively small intervention resulted in the creation in FY 1985 of "Tunisia Leasing", the first Tunisian leasing company.

The focus of A.I.D.'s Rural Development program activities is on reducing rural poverty and fostering development in the lesser developed central and western governorats of Central Tunisia.

TUNISIA

Under the Central Tunisia Rural Development umbrella project (664-0312) we channel a substantial amount of our assistance through the Central Tunisia Development Authority (CTDA). Training and technical assistance both support the institutional development of CTDA. The project finances the training of CTDA personnel in project identification, design, implementation, monitoring and evaluation. A.I.D. also provides technical assistance in specific technical areas to CTDA and CTDA staff. As a result of these efforts, CTDA has evolved in the last five years from a nascent GOT agency to a successful, autonomous regional development entity. It has been assigned full responsibility to prepare projects and budgets for the CTDA region for inclusion in the GOT's VII Five Year Development Plan (1987-1991).

A major focus of the Central Tunisia Rural Development Project has been on developing water resources and improving access to potable water. To date 35 water points have been developed providing potable water to over 45,000 beneficiaries. Under a planned FY 1986 expansion of the Central Tunisia Rural Development Potable Water subproject, water-user associations, the first of their kind in Central Tunisia, will be created to involve beneficiaries in site selection, development, and coverage of the recurrent costs of operations and maintenance. The expanded project will also include two new "jurisdictions", in Central Tunisia.

A.I.D.'s new bilateral Family Planning and Population Development project (664-0331) initiated in late FY 1985 builds on twenty years of A.I.D. involvement in the Tunisian family planning program. In a recent evaluation of past, centrally-funded programs, we have learned that while successes have been achieved over the course of A.I.D. support, contraceptive prevalence has levelled off over the past several years. The evaluation identified inadequate distribution and marketing policies as a constraint to be addressed in the new program. The new project, which aims to improve contraceptive prevalence in Tunisia by nine percent by 1989, aims at building up the private sector as a service provider in family planning. We plan to strengthen the distribution system through greater involvement of the private sector and closer coordination of GOT ministries and agencies.

The Housing Investment Guarantee (HG) Program provides United States Government guaranties for loans from private investors in the United States, the proceeds of which help to finance housing and related infrastructure. An amendment to the ongoing HG concentrates on land development, self-help housing construction, credit, and improvements in storm and sanitary sewage. The HG program has become increasingly important to the GOT both for the assistance it provides in financing low-income housing and slum improvement, as well as for the assistance the long-term dollar credits provide in meeting needs for foreign exchange. In turn, A.I.D. has used this assistance as leverage to support movement by the GOT toward lower cost investments and full cost recovery in the sector.

An important element of A.I.D.'s strategy is to assist the GOT to develop increased institutional capability to acquire, use and manage improved technology. This is being accomplished through development of linkages between U.S. and Tunisian technical schools and universities, and scholarship support for undergraduate and graduate study program in engineering and related science fields. During the FY-85/86 school year more than 500 Tunisians will be pursuing academic degrees at 60 universities throughout the United States under the Technology Transfer project (664-0315). This constitutes A.I.D.'s second largest academic degree training program in the world. The new Computer Technology project (664-0334) builds on Tunisian experience to date in computerization and will further develop links between institutions in Tunisia and the U.S. The project is designed to aid Tunisia's efforts to integrate the use of modern technology into the economy and to become a regional center of expertise for the Arab region.

Requested Year Program (FY 1987)

The FY 1987 program provides for continued support for the institution building and technology needs of Tunisia in key areas, as well as the continuation of policy dialogue to effect needed change in agriculture and the private sector.

In Food Production, Rural Development and PL 480 ESF will be used for continuation of ongoing activities in agricultural credit, agriculture technology transfer and agriculture research. The Agricultural Credit II project (664-0338), which builds on A.I.D.'s experience under the Supervised Agricultural Credit project (664-0302), aims to create a monetarily self-sufficient credit institution capable of managing and providing credit to farmers in an efficient and economically viable manner. This will help reduce the drain on the GOT central budget, while at the same time providing A.I.D. with a forum for our policy dialogue on the rationalization of interest rates. The Farm Conservation Project (664-0336), building on A.I.D.'s experience in rangeland development, will increase farmer participation in soil and water conservation activities. Returned participants from the Agriculture Technology Transfer project (664-0304) will form the support nucleus for this project.

The PL 480 Title I program will provide needed food imports and help to shore up Tunisia's balance of payment situation.

TUNISIA

At the same time, the Title I program, an integral part of A.I.D. agricultural strategy, will permit A.I.D. to pursue its policy dialogue with the Government of Tunisia focusing on the following priorities:

--increasing agricultural investment in rain-fed areas as opposed to promoting less cost-effective irrigation;

--increasing Government of Tunisia focus on those agricultural investments aimed at encouraging private sector participation;

--encouraging private financing for agricultural development activities through lower subsidies and increased cost sharing by individual farmers for infrastructure investment;

--promoting realistic price incentive policies for private fertilizer dealers to increase private participation in the input distribution system;

--promoting increased use of lower cost forms of fertilizer;

--encouraging more use of funds from private sources for agricultural credit.

In the Private Sector, the funding requested for the Private Sector Development and Technology Transfer Project (664-0328) will finance continuing A.I.D. efforts to encourage further development of the indigenous private sector and to promote greater U.S. private sector presence in Tunisia.

For Technology Transfer, the Scholarship project (664-0315) will finance academic degree study for approximately 500 Tunisians at U.S. universities. With carry over funds from FY 1986 approximately 680 students will be studying in the United States under the project in 1987. Another important means of technology transfer is through the planned Cross Sectoral Development Training Project (664-0333) which is designed to meet priority needs for technical and other training which are not being met through existing projects.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TUNISIA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
SUPERVISED AGRICULTURAL CREDIT	L 664-0302	78	81	17,300	17,300	17,300	17,203	---	---	---	---
AGRICULTURAL TECHNOLOGY TRANSFER	G 664-0304	78	87	5,800	5,800	5,800	4,445	---	1,000	---	491
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	87	8,000	6,700	6,700	4,057	---	800	---	750
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	87	9,855	9,855	9,855	3,867	---	2,600	---	2,750
TOTAL FOR ACCOUNT				40,955	39,655	39,655	29,572	---	4,400	---	3,991
GRANTS				13,800	12,500	12,500	8,502	---	1,800	---	1,241
LOANS				27,155	27,155	27,155	21,070	---	2,600	---	2,750
POPULATION PLANNING											
FAMILY PLANNING AND POPULATION DEV.	G 664-0331	85	86	2,500	2,500	2,500	---	---	1,100	---	808
TOTAL FOR ACCOUNT				2,500	2,500	2,500	---	---	1,100	---	808
GRANTS				2,500	2,500	2,500	---	---	1,100	---	808
LOANS				---	---	---	---	---	---	---	---
HEALTH											
RURAL COMMUNITY HEALTH	G 664-0296	78	81	2,239	2,239	2,239	1,884	---	438	---	---
RURAL COMMUNITY HEALTH	L 664-0296	78	81	5,390	5,390	5,390	2,749	---	2,640	---	---
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	81	---	---	2,094	2,036	---	---	---	---
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	87	2,250	2,250	2,250	1,366	---	884	---	---
SILIANA RURAL CENTERS WATER SYSTEMS	L 664-0318	78	78	3,500	3,500	3,500	3,430	---	---	---	---
TOTAL FOR ACCOUNT				13,379	13,379	15,473	11,465	---	3,962	---	---
GRANTS				2,239	2,239	4,333	3,920	---	438	---	---
LOANS				11,140	11,140	11,140	7,545	---	3,524	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TUNISIA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SELECTED DEVELOPMENT ACTIVITIES													
TECHNOLOGY TRANSFER		G	664-0315	81	88	1,450	1,450	1,450	890	---	663	---	---
RENEWABLE ENERGY I		G	664-0325	79	80	1,548	3,430	---	---	---	361	---	---
ENERGY PLANNING		G	664-0326	81	81	1,300	1,300	1,300	827	---	576	---	---
SMALL PROJECT ASSISTANCE/PC		G	664-0330	84	87	80	160	80	25	---	55	---	---
TOTAL FOR ACCOUNT						4,378	6,340	2,830	1,742	---	1,655	---	---
GRANTS						4,378	6,340	2,830	1,742	---	1,655	---	---
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
AGRICULTURAL TECHNOLOGY TRANSFER		G	664-0304	78	87	5,300	5,300	1,500	---	1,200	730	2,300	913
CENTRAL TUNISIA RURAL DEVELOPMENT		G	664-0312	79	87	3,000	5,000	3,000	26	1,000	1,000	1,000	1,000
TECHNOLOGY TRANSFER		G	664-0315	81	88	14,650	23,150	13,200	7,833	2,500	5,500	5,000	8,372
AGRICULTURE RESEARCH AND EXTENSION		G	664-0327	82	87	3,500	5,500	3,500	856	---	1,000	2,000	900
PRIVATE SECTOR DEV AND TECH TRANSFER		G	664-0328	82	87	4,050	7,850	4,050	796	1,940	1,500	2,000	1,000
EMERGENCY HOUSING REPAIR/RECONSTRUCTION		G	664-0329	83	83	1,750	1,750	1,750	1,100	---	650	---	---
FAMILY PLANNING AND POPULATION DEV.		G	664-0331	85	86	1,000	5,000	1,000	---	4,200	1,100	---	1,941
CROSS-SECTORAL DEVELOPMENT TRG	*	G	664-0333	87	88	---	5,000	---	---	---	---	1,700	500
COMPUTER TECHNOLOGY		G	664-0334	85	85	3,500	3,500	3,500	---	---	1,764	---	995
FARM CONSERVATION	*	G	664-0336	87	88	---	6,000	---	---	---	---	5,000	500
RURAL POTABLE WATER		G	664-0337	86	86	---	6,500	---	---	6,500	2,000	---	2,000
AGRICULTURAL CREDIT II		G	664-0338	86	87	---	3,000	---	---	2,000	1,000	1,000	1,000

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*Refers to the planned project summary sheet

ᶜLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TUNISIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					36,750	77,550	31,500	10,601	19,140	16,244	20,000	19,111
GRANTS					36,750	77,550	31,500	10,601	19,140	16,244	20,000	19,111
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					97,962	139,424	91,958	53,380	19,140	27,361	20,000	23,910
GRANTS					59,667	101,129	53,663	24,765	19,140	21,237	20,000	21,160
LOANS					38,295	38,295	38,295	28,615	---	6,124	---	2,750

* Refer to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: TUNISIA

PLANNED PROGRAM SUMMARY SHEET

Title Farm Conservation and Development		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 $5,000	Life of Project Funding $6,000
Number 664-0336 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1988 Estimated Completion Date of Project FY 1992

Purpose: To increase farmer income and production and to conserve water and soil resources.

Project Description: The project will involve three pilot sites in Northeastern Tunisia in the Governorate of Zaghouan. The area is characterized by low productivity from rainfed agriculture and very serious soil and water erosion problems. Farms in this zone are small (5 to 50 hectares) and produce primarily cereals and sheep. Farmers' incomes are low and production techniques are traditional, with low levels of inputs. In addition, slopes of up to 20 degrees are being cultivated without using appropriate conservation techniques. Thus, production potential in Zaghouan is being seriously eroded. The research required to adapt and field test new varieties and production techniques has only recently been intensified with strong support from A.I.D. projects: Livestock Production and Forage Utilization (0293), Central Tunisia Rural Development (0312), Agriculture Research (0327), and PL 480 Title I Self Help. While improved basic production techniques have been developed and started, almost no work has been done to integrate these with appropriate soil and water conservation practices

A.I.D. will be working with the Tunisian Office of Livestock and Pastures, the newly upgraded Directorate for Soil and Water Conservation, and the Commissariate for Agriculture Development for the Region of Zaghouan. Over a six-year period, the project will introduce, adapt, and implement intensive cereal, forage, and livestock practices.

Relationship of the Project to A.I.D. Strategy: The Farm Conservation project is an integral follow-on to A.I.D.'s agriculture portfolio in Tunisia. The GOT policy shift to emphasize production of cereals, meat, and milk, especially in rainfed areas, is a shift A.I.D. has actively promoted and which continues as a Near East strategy.

Host Country and Other Donors: The Government of Tunisia will contribute $9.3 million for this project.

Beneficiaries: The direct beneficiaries will be the 700 farm families participating in the pilot program. Improved conservation policies and institutional development will result in increased production and incomes for other farm families in the future.

Major Outputs	All Years
Farms using appropriate practices	700
Improved capacity of Tunisian institutions to provide research and extension services	X
Formulation of revised soil and water conservation policies	X

A.I.D-Financed Inputs	Life-of-Project ($ Thousands)
Technical Assistance	1,300
Participant Training	750
Equipment for Conservation Work	2,500
Forage Equipment, Seed, Vehicles, etc.	750
Evaluation	100
Other Costs	300
Contingency	300
TOTAL	$6,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	$5,000	$1,000	$6,000

Principal Contractors or Agencies

A TITLE XII University or USDA/PASA

PROGRAM: TUNISIA

PLANNED PROGRAM SUMMARY SHEET

Title Cross Sectoral Development Training		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 $1,700		Life of Project Funding $5,000
Number 664-0333 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 89	Estimated Completion Date of Project FY 90

Purpose: (1) To provide Tunisians within the government and the private sector with short and long term training. (2) to develop, coordinate and maintain U.S.-Tunisian linkages in technology and assist in institution building.

Project Description: In recent years, A.I.D. has limited its training activities both in scope and nature. Focus has been on degree training, principally in agriculture and engineering. While the importance of these sectors for Tunisia's economy is recognized, the Tunisian Government has repeatedly stressed the need for Tunisia to access modern technology in other technical sectors as well.

While degree training will be considered, project emphasis will be on short-term, job-oriented training. It is clear from discussions with various organizations, in the energy sector for instance, that the demand for specialized short term training is likely to increase substantially in the years ahead. A number of new agencies have been created by the Tunisian Government with the objective of developing the private sector, and private sector organizations that will have lasting impact on private sector development in Tunisia.

Relationship of the Project to A.I.D. Strategy: Resources will be provided to strengthen public and private institutions and promote technology transfer.

Host Country and Other Donors: Other donors provide some training as part of capital (infrastructure) projects they are financing. However, training programs addressing specific but varied needs are not available. It is expected that the host-country (public and/or private institutions) will assume cost of international transportation as well as payment of salaries in accordance with established A.I.D. policy.

Beneficiaries: The beneficiaries of this project will be the trainees for the public and private organizations and their employing organizations. Increased technical manpower capability will help Tunisia meet its priority development objectives and serve the general well-being of the rural as well as urban populations.

Major Outputs	All Years
- English Language Training Program Institutionalized	X
- Increased Institutional Capability for Development in the Public and Private Sector	X
- Academic and Long Term Technology Transfer Participants Trained	50
- Short-Term Technology Transfer Participants Trained	100

AID Financed Inputs	Life-of-Project ($ Thousands)
- Technical Assistance	500
- Training	3,500
- Commodities	500
- Evaluation/Audit	100
- Other Costs (Contingencies, Inflation)	400
TOTAL	$5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	$1,700	$3,300	$5,000	

901

TURKEY

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COUNTRY:  (277) TURKEY

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     50,661

PER CAPITA GNP.......... (DOLLARS,1983)      1,240

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.0%

ANNUAL RATE OF INFLATION (1973-83) 42.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1973)   3.5%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 64.0  MALE 61.6  FEMALE 66.5
                     (1970)   TOTAL 55.9  MALE 54.2  FEMALE 57.8

ADULT LITERACY RATE  (1980)   TOTAL  69%  MALE  83%  FEMALE  53%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)   0.1%

AGRICULTURAL PRODUCTION AS % OF GDP............(1983)    18%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       126


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: WHEAT ,BARLEY ,.                        68%   (1984)
  CASH: COTTON ,TOBACCO ,PULSES                        11%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIVESTOCK ,FILBERTS IN SHEL ,TOB

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ,BARLEY

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1975)    64%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)     12,116 (79)     16,366 (80)     11,793
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)     14,386 (79)     20,864 (80)     15,151
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)     -2,270 (79)     -4,499 (80)     -3,358
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978) 11.4% (79) 11.5% (80) 15.2%
  AS % OF GNP................. (1978)  3.1% (79)  3.3% (80)  3.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982) 1,082 (83) 1,429 (84) 1,430
  EQUIVALENT TO  1.2 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COTTON          TOBACCO        ,FRUITS

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  252  (1983)  232  (1984)  355
   AS % OF TOTAL EXPORTS (1982)    5% (1983)    4% (1984)   5%

MAJOR IMPORTS(1983)CRUDE OIL      ,MACHINERY      ,TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  814  (1983)  695  (1984)1,106
   AS % OF TOTAL IMPORTS (1982)   11% (1983)    8% (1984)  11%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,628(83) -2,990(84)-2,942

TRADING PARTNERS: GERMANY, FEDER ,IRAQ ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    36.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................ (1983) 2,344
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  39.7%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.3% (1978)   2.1% (1985)  2.3%

POPULATION IN URBAN AREAS............(1970)    33%   (1985)   50%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)          (1985)     32

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1978)  50.3%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 37.1% (15-64YRS) 58.7% (65+ YRS)  4 2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  90

PEOPLE PER PHYSICIAN................ (1980)  1,831

MAJOR CAUSES OF
DISEASE (1981) MALARIA         ,SALMONELLA INFEC,TUBERCULOSIS
DEATH.. (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   119%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  76%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL  84.5   MALE  89.5    FEMALE  79.3
SECONDARY....... (1979)  TOTAL  35.9   MALE  48.3    FEMALE  24.0
POST SECONDARY.. (1980)  TOTAL   4.5   MALE   6.5    FEMALE   2.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     43.6%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY TURKEY

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	198.1	201.0	301.1	286.0	139.5	3920.3	1093.5	2826.8
Loans	123.0	66.0	100.0	85.0	63.5	1972.1	1093.5	878.6
Grants	75.1	135.0	201.1	201.0	76.0	1948.2	-	1948.2
a. **A.I.D. and Predecessor Agencies**	198.0	200.0	300.0	285.0	138.5	3315.4	869.9	2445.5
Loans	123.0	66.0	100.0	85.0	63.5	1643.5	869.9	773.6
Grants	75.0	134.0	200.0	200.0	75.0	1671.9	-	1671.9
(Economic Support Fund)	198.0	200.0	300.0	285.0	138.5	2022.7		
b. **Food for Peace (PL 480)**	0.1	*	0.1	*	*	573.5	208.9	364.6
Loans	-	-	-	-	-	316.4	208.9	107.5
Grants	0.1	-	0.1	-	-	257.1	-	257.1
Title I - Total Sales Agreements	-	-	-	-	-	431.2	208.9	222.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	91.0	50.9	40.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	340.2	158.0	182.2
Title II - Total Grants	0.1	*	0.1	*	*	142.3	-	142.3
Emerg. Relief, Econ. Develop. & World Food Program	0.1	*	0.1	*	*	54.9	-	54.9
Voluntary Relief Agencies	-	-	-	-	-	87.4	-	87.4
c. **Other Economic Assistance**	-	1.0	1.0	1.0	1.0	31.4	14.7	16.7
Loans	-	-	-	-	-	12.2	14.7	2.5-
Grants	-	1.0	1.0	1.0	1.0	19.2	-	19.2
Peace Corps	-	-	-	-	-	15.2	-	15.2
Narcotics	-	1.0	1.0	1.0	1.0	4.0	-	4.0
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	208.3	252.8	403.0	402.8	718.3	7154.2	820.7	6333.5
Credits or Loans	202.9	250.0	343.0	290.0	585.0	2455.9	820.7	1635.2
Grants	5.4	2.8	60.0	112.8	133.3	4698.3	-	4698.3
a. MAP Grants	4.0	1.1	57.0	110.0	130.0	3438.1	-	3438.1
b. Credit Financing - FMS	202.9	250.0	343.0	290.0	585.0	2455.9	820.7	1635.2
c. Military Assistance Service Funded (MASF) Grants	1.4	1.7	3.0	2.8	3.3	123.5	-	123.5
d. Transfers from Excess Stocks	-	-	-	-	-	857.7	-	857.7
e. Other Grants	-	-	-	-	-	279.0	-	279.0
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	406.4	453.8	704.1	688.8	857.8	11074.5	1914.2	9160.3
Loans	325.9	316.0	443.0	375.0	648.5	4428.0	1914.2	2513.8
Grants	80.5	137.8	261.1	313.8	209.3	6646.5	-	6646.5
Other U.S. Government Loans and Grants	3.8	8.0	-	-	70.5	373.9	360.4	13.5
a. Export-Import Bank Loans	3.8	8.0	-	-	-	303.4	360.4	57.0-
b. All Other Loans	-	-	-	-	70.5	70.5	-	70.5

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. **ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	676.8	945.2	705.6	7214.0
IBRD	669.4	794.3	698.5	5928.6
IFC	5.3	150.0	7.1	402.9
IDA	0.0	0.0	0.0	178.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.1	0.9	0.0	67.7
OTHER-UN	0.0	0.0	0.0	11.7
EEC	0.0	0.0	0.0	625.0

B. **BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	397.0	223.0	1,107.0
Germany,Fed. Rep.	114.4	67.2	1,451.3
Japan	32.1	32.1	146.0
United Kingdom	29.6	8.2	116.9
France	25.1	18.5	107.1
Other	35.7	28.1	247.9
Total	633.9	377.1	3,176.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
116.1	N.A.	563.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	3,399
Eastern Europe	9	N.A.	912
China	-	-	-
Total	9		4,311

TURKEY

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	90,000	119,625	80,000
Loans	85,000		70,000
Total	175,000	119,625	150,000

Development Overview

In 1980, the Turkish Government announced a comprehensive economic stabilization and reform program featuring a more flexible foreign exchange regime, major efforts to reform Turkey's parastatal enterprises, and restrictive fiscal, monetary and wage policies. These and complementary policies have been used to change the Turkish economy from one which looked inward, producing for a highly protected domestic market, to one which increasingly is oriented toward the world market.

The program -- with support from the United States and other members of the Organization for Economic Cooperation and Development (OECD) -- has been remarkably successful. Whereas in the late 1970s, Turkey experienced a deep economic malaise necessitating large-scale aid, a major debt rescheduling and International Monetary Fund (IMF) support; it is now able to finance\basic imports and to service its external debt. Economic growth has resumed with exports leading the way.

Liberalization measures taken by the new Government in 1984 gave a new impetus to the 1980 program and accelerated the process of economic reform. The civilian government of Prime Minister Turgut Ozal moved to open the Turkish economy even further to market forces. To foster greater efficiency in domestic industry, the import regime has been substantially liberalized. Studies on the privatization of parastatal enterprises are taking place and the services of Morgan Guaranty Trust Company have been enlisted to assist in the matter. A sweeping liberalization of foreign exchange controls has been carried out. Turks have been permitted to open foreign currency accounts in domestic banks and foreign exchange surrender requirements have been eased to increase incentives to earn and to repatriate foreign exchange. Channeling such earnings through the banking system has helped to increase financing available for investment in Turkey. Interest rates also have been restructured. In January 1985, a value-added tax was introduced in order to increase tax revenues. Finally, prices of petroleum products continue to be adjusted to keep them in line with international levels.

Despite this dramatic progress, domestic inflation remains a problem. In 1984, the wholesale price index rose by 52 percent. While the inflation rate has declined to 36 percent per annum in recent months, the budget deficit continues to pose difficulties. The Turkish authorities have been "monetizing" the deficit and this could produce an intensification of inflationary pressures in the near term.

TURKEY

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	85,000		70,000
Grants	90,000	119,625	80,000
Total AID	175,000	119,625	150,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	175,000	119,625	150,000

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)						
Title II [1]						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

TURKEY

Although the Turkish Government has established an impressive record in the economic sphere, the framework upon which the economic recovery is built remains fragile. Substantial amounts of outside assistance are still needed. Debt-service payments are significant and the principal on rescheduled debt is coming due. As a result, Turkey's foreign debt repayment obligations are substantial and will remain at relatively high levels over the next several years. Nevertheless, with conservatively projected increases in export earnings, continued implementation of the stabilization program, new commitments of economic assistance from the United States and other donors and continued commercial inflows, Turkey should be able to meet its obligations while at the same time continue to grow and develop.

U.S. Interests and Objectives

Turkey is a close, valued ally in the North Atlantic Treaty Organization (NATO). It is located in an area of the world which is of strategic importance to the United States. The United States has an interest in encouraging and supporting the growth, development and stability of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide resources in conjunction with other donors (and private lenders) to permit Turkey to service its large debt while importing the goods and services it needs for economic growth.

A.I.D. Program (FY 1985-86)

The $175 million provided in FY 1985 and the $119.6 million planned for FY 1986 ($150 million was requested for FY 1986 but reduced due to funding constraints) assists in financing Turkey's external financial requirements. While strengthening of the balance of payments position is envisaged, Turkey still requires assistance to meet its significant debt-servicing requirements.

Requested Year Program (FY 1987)

For FY 1987, $150 million is requested to continue support of Turkish economic reform and stabilization efforts. Turkey is expected to continue to pursue policies designed to encourage development of the private sector and enhance the climate for foreign investment.

The Government of Turkey is looking to the OECD countries to provide continuing economic assistance, and also hopes to generate additional support from Arab donors. Turkey is also able to turn to private banks to finance some of its imports and developmental projects. It is expected that the economy will continue to strengthen.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: TURKEY

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND													
CASH TRANSFER	*	G	277-KXXX	87	87	---	80,000	---	---	---	---	80,000	---
CASH TRANSFER	*	L	277-KXXX	87	87	---	70,000	---	---	---	---	70,000	---
CASH TRANSFER		G	277-K006	85	85	90,000	90,000	90,000	90,000	---	---	---	---
CASH TRANSFER		L	277-K006	85	85	85,000	85,000	85,000	85,000	---	---	---	---
CASH TRANSFER		G	277-K007	86	86	---	125,000	---	---	119,625	119,625	---	---
TOTAL FOR ACCOUNT						175,000	450,000	175,000	175,000	119,625	119,625	150,000	---
GRANTS						90,000	295,000	90,000	90,000	119,625	119,625	80,000	---
LOANS						85,000	155,000	85,000	85,000	---	---	70,000	---
TOTAL FOR COUNTRY						175,000	450,000	175,000	175,000	119,625	119,625	150,000	---
GRANTS						90,000	295,000	90,000	90,000	119,625	119,625	80,000	---
LOANS						85,000	155,000	85,000	85,000	---	---	70,000	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

YEMEN ARAB REPUBLIC

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COUNTRY:  (279) YEMEN (SANAA) (NORTH)

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*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      6,159

PER CAPITA GNP.......... (DOLLARS,1983)        550

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  5.7%

ANNUAL RATE OF INFLATION (1973-83) 13.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 44.9  MALE 43.8  FEMALE 46.1
                    (1970)   TOTAL 38.5  MALE 37.8  FEMALE 39.3

ADULT LITERACY RATE  (1980)   TOTAL   9%  MALE  18%  FEMALE   2%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                        (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    21%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        76


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: SORGHUM ,WHEAT ,PULSES                 76%   (1984)
  CASH: GRAPES ,COTTON ,COFFEE                        11%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,COFFEE ,HIDES AND SKINS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    74%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1980)       704 (81)      1,052 (82)      1,259
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1980)     1,095 (81)      1,503 (82)      2,412
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1980)      -511 (81)       -643 (82)     -1,153
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 30.0% (81) 29.5% (82) 29.0%
  AS % OF GNP................. (1979) 14.3% (80) 10.6% (81) 13.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)   —      (1982)   555 (83)   366 (84)   319
  EQUIVALENT TO  1.7 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)GAT              ,COTTON         ,COFFEE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)    0  (1983)    0  (1984)    8
   AS % OF TOTAL EXPORTS (1981)   16% (1982)    0% (1983)   0%

MAJOR IMPORTS(1983)TEXTILES       ,PETROLEUM PRODS,SUGAR

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   31  (1983)  118  (1984)   77
   AS % OF TOTAL IMPORTS (1981)    3% (1982)    2% (1983)   7%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,723(82) -1,921(83)-1,756

TRADING PARTNERS: SAUDI ARABIA ,JAPAN ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    59.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    42
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   444%
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*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.2% (1978)   2.4% (1985)  2.9%

POPULATION IN URBAN AREAS............(1970)     8%   (1985)   13%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    49    (1985)    53

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1979)   1.7%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 45.1% (15-64YRS) 51.6% (65+ YRS)  3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 154

PEOPLE PER PHYSICIAN................. (1979) 13,320

MAJOR CAUSES OF
DISEASE (1981) UNKNOWN AILMENTS,INTESTINAL INFEC,UNKNOWN AILMENTS
DEATH.. (1975) GASTROINTESTINAL,PARASITIC DISEAS,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    90%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981)  14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  47.3   MALE  79.9    FEMALE  14.2
SECONDARY....... (1982)  TOTAL   5.6   MALE   6.0    FEMALE   0.7
POST SECONDARY.. (1980)  TOTAL   0.7   MALE   1.3    FEMALE   0.1

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)        . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY YEMEN ARAB REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. **ECONOMIC ASSISTANCE – TOTAL**	13.4	20.7	25.7	29.2	31.4	228.2	0.3	227.9
Loans	-	5.0	-	-	3.0	9.4	0.3	9.1
Grants	13.4	15.7	25.7	29.2	28.4	218.8	-	218.5
a. **A.I.D. and Predecessor Agencies**	11.6	19.4	23.3	28.1	27.4	193.0	0.3	192.7
Loans	-	5.0	-	-	-	6.4	0.3	6.1
Grants	11.6	14.4	23.3	28.1	27.4	186.6	-	186.6
(Economic Support Fund)	-	-	-	-	-	25.1		
b. **Food for Peace (PL 480)**	0.7	0.3	1.2	-	3.1	26.5	-	26.5
Loans	-	-	-	-	3.0	3.0	-	3.0
Grants	0.7	0.3	1.2	-	0.1	23.5	-	23.5
Title I - Total Sales Agreements	-	-	-	-	3.0	3.0	-	3.0
Repayable in U.S. Dollars - Loans	-	-	-	-	3.0	3.0	-	3.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.7	0.3	1.2	-	0.1	23.5	-	23.5
Emerg. Relief, Econ. Develop. & World Food Program	0.7	0.3	1.2	-	0.1	15.8	-	15.8
Voluntary Relief Agencies	-	-	-	-	-	7.7	-	7.7
c. **Other Economic Assistance**	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Peace Corps	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. **MILITARY ASSISTANCE – TOTAL**	0.5	0.9	12.2	6.9	5.1	27.5	-	27.5
Credits or Loans	-	-	10.0	4.0	-	14.0	-	14.0
Grants	0.5	0.9	2.2	2.9	5.1	13.5	-	13.5
a. MAP Grants	-	-	1.0	1.7	4.0	6.7	-	6.7
b. Credit Financing - FMS	-	-	10.0	4.0	-	14.0	-	14.0
c. Military Assistance Service-Funded (MASF) Grants	0.5	0.9	1.2	1.2	1.1	6.8	-	6.8
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. **TOTAL ECONOMIC AND MILITARY ASSISTANCE**	13.9	21.6	37.9	36.1	36.5	255.7	0.3	255.4
Loans	-	5.0	10.0	4.0	3.0	23.4	0.3	23.1
Grants	13.9	16.6	27.9	32.1	33.5	232.3	-	232.3
Other U.S. Government Loans and Grants	0.7	-	-	-	-	0.7	*	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	0.7	-	-	-	-	0.7	*	*

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	53.6	58.3	29.2	482.3
IBRD	0.0	0.0	0.0	0.0
IFC	4.0	0.0	4.9	12.0
IDA	47.5	56.0	22.7	417.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.1	2.3	0.0	43.2
OTHER-UN	0.0	0.0	1.6	9.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	28.0	23.0	106.0
Germany, Fed. Rep.	10.7	9.4	167.0
Netherlands	12.7	29.0	111.0
Japan	24.9	8.7	63.9
United Kingdom	5.0	5.7	28.5
Other	3.8	14.5	35.2
Total	85.1	90.3	511.6

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
243.6	N.A.	1,130.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

YEMEN

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans								
Grants	27,449	12,070	–	5,500	9,839	40		
Total	27,449	12,070	–	5,500	9,839	40		
1986								
Loans			–			–		
Grants	23,000	11,550	–	3,950	7,500	–		
Total	23,000	11,550	–	3,950	7,500	–		
1987								
Loans			–					
Grants	26,000	11,500	–	4,430	10,070	–		
Total	26,000	11,500	–	4,430	10,070	–		

FY 1987
PROGRAM HIGHLIGHTS

- $11.5 million for agricultural activities, including advisory services, poultry and horticulture, development of a Faculty of Agriculture and irrigated farming demonstration.
- $7.5 million to continue the comprehensive human resources training program.
- $3.2 million for continuing programs in child survival and village water systems.

YEMEN

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 **(Actual)**	FY 1986 **(Estimated)**	FY 1987 **(Proposed)**
Aid *			
Loans	394	--	--
Grants	23,255	32,821	28,409
Total AID	23,649	32,821	28,409
P.L. 480 **			
Title I	12,000	5,000	5,000
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480	12,000	5,000	5,000
Total AID and P.L. 480	35,649	37,821	33,409

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 **(Actual)**		FY 1986 **(Estimated)**		FY 1987 **(Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	30,000	4,000				
Rice	21,000	8,000	13,000	5,000	18,000	5,000
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	51,000	12,000	13,000	5,000	18,000	5,000
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	51,000	12,000	13,000	5,000	18,000	5,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

YEMEN

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel AID Direct Hire[a] PASA[b]	23.8	21.4	21.4
TOTAL	23.8	21.4	21.4

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	298	45	343	327	57	384	408	68	476
Regional[e]	–	16	16		10	10		10	10
TOTAL	298	61	359	327	67	394	408	78	486

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	60	25	85	64	38	102	67	51	118
Regional[e]		9	9	–	13	13	–	18	18
TOTAL	60	34	94	64	51	115	67	69	136

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

YEMEN

Development Overview

The Yemen Arab Republic (YAR) occupies a strategic position on the Arabian Peninsula. It abuts the southern entrance to the Red Sea and acts as a buffer between the Marxist-dominated People's Democratic Republic of Yemen (PDRY) and Saudi Arabia.

Unlike most of its neighbors on the peninsula, Yemen is a poor country with an estimated 1983 per capita Gross National Product (GNP) of $550. Life expectancy is only 44.9 years, adult literacy is only 9%, and infant mortality is high at 173 per 1,000 births. Only 14% of Yemen's 6,159,000 people have access to safe water. A mere 5.6% of Yemen's high school age children are enrolled in high schools.

These are bleak indicators of the quality of life, however in recent years Yemen's has experienced significant growth. Since 1962, the country has made education, primary health and other social services more widely available, and put roads, communication systems and other infrastructure into place. Fueled by large-scale Arab aid and remittances from the substantial number of Yemenis working abroad, real Gross Domestic Product (GDP) rose at an average annual rate of about 10% during 1970-1982. Concurrently, per capital cash income rose rapidly. This growth, however, was not soundly based. Agriculture stagnated with the loss of rural labor to high-paying jobs in the Gulf states, and local industry had little chance to develop in the face of rapidly rising and relatively cheap imports. The end of the oil boom in the Gulf states led to a levelling off in the inflow of Yemeni workers' remittances and to a sharp reduction in Arab grant aid.

The Government's adjustments to this changed situation began in earnest in mid-1983. The budget deficit, the equivalent of 28% of GDP in 1982, was reduced, in nominal terms, by 11% in 1983 and a further 3% in 1984. However, performance in reducing the budget deficit slipped, and government domestic borrowing has, during 1985, increased 24% over the first half of 1984. To stem imports, the Government tightened import licensing and, in November 1983, began to devalue the Yemeni rial which, for a decade, had been pegged at 4.56 to the dollar. From February 1984 to October 1985, the rial has been devalued nearly 70%. As a result of these steps, officially recorded imports fell, in dollar terms, by 8% in 1983 and 25% in 1984. Whether these declines have been duplicated in the large informal sector is unclear, but the government has attempted to curtail smuggling. While Yemen's balance of payments situation has improved, official reserves have continued to decline, from sixteen months of imports in 1977 to roughly three months of imports in 1984.

GDP growth slowed to 2.4% in 1983, and remained in this low range in 1984 and 1985. The cumulative devaluations together with the continued high recourse to money creation through government deficit financing, have increased the pace of inflation to an estimated 20% or higher in 1985.

YEMEN

Return to the high growth rates of the 1970's is unlikely, and, at best, GDP growth will be modest over the medium term. Oil has been discovered in Yemen by the Yemen-Hunt Oil Company, and in the discovery field, proven reserves of 300 million barrels have been announced. A pipeline to transport the oil to the Red Sea for export is being planned. However, production and export revenues are unlikely to materialize for at least another three years, and the Yemen Government is anxiously searching for means to bridge the interim period.

U.S. Interests and Objectives

The strategic location of the YAR on the Red Sea adjacent to the Straits of Mundab, its position as a buffer between Marxist South Yemen and Saudi Arabia, the large numbers of Yemenis working in Saudi Arabia and the Gulf, and the potential oil resources in the ill-defined border areas of northeastern Yemen contribute to the importance of Yemen to U.S. interests in regional stability. U.S. objectives are to help develop, through economic and other assistance, a strong government in Yemen, friendly with its neighbors, which will further U.S. interests in stability on the Peninsula and in the Red Sea area.

The long-term U.S. program of human resource and institutional development seeks to lay a foundation for sustained national development and a stronger friendship between Yemen and the United States. Tangible U.S. participation in the economic development of the Yemen Arab Republic indicates U.S. support of Yemen's developmental objectives and the free-market means through which the country is seeking to achieve them.

A.I.D. Development Strategy

Like other poor countries Yemen has many of the characteristics that attend abject poverty. These include comparatively low productivity, low literacy rates, and low life expectancy, among others. The country faces enormous human resource and institutional needs resulting from its isolation prior to the 1962 revolution. Yemen remains a complex tribal society in which the central government is only one factor in the important developmental process. In spite of the recent slowdown in remittance inflows and resulting scarcity of foreign exchange, the Yemeni private sector remains a dynamic force in the country's economy. In this environment, A.I.D.'s assistance strategy is to broaden the country's institutional and human resources base in both the public and the private sector while undertaking selective interventions to increase agricultural production and provide health care, educational services, and safe water for an expanded rural population.

YEMEN

A.I.D. Program (FY 1985 - FY 1986)

Agriculture:

The Agricultural Development Support project (279-0052) is now in its seventh year of implementation. As a result of a comprehensive project review of the project in FY 1985, A.I.D. decided to replace the Consortium for International Development contract with direct contracts with Title XII universities implementing subprojects.

During FY 1985, a new Faculty of Agriculture subproject was initiated to provide faculty training, curriculum development, architectural and engineering services, and construction supervision for the establishment of a new Faculty at Sana'a University.

A.I.D. will provide funds in FY 1986 for formal agricultural training at the secondary and higher levels, assistance to the Ministry of Agriculture and Fisheries (MAF) and Ministry of Education, with emphasis on planning, statistics, horticulture, poultry and agricultural education. Through the subprojects, A.I.D. should have a significant impact on strengthening agricultural institutions.

In FY 1986, the Core Subproject and Ibb Secondary Agricultural Institute Subproject will be extended in accordance with the recommendations of a recent evaluation. Ongoing Poultry and Horticulture subprojects will also be funded. Following evaluation recommendations the Poultry subproject will expand distribution of pullets for household and village flocks, and provide extension services and training to recipients, particularly women. Other key outputs expected in FY 1986 under this program include 60 additional graduates from the secondary agricultural education system, production and distribution of 60,000 fruit tree seedlings, distribution of 115,000 pullets for household and small-scale village flocks, and training of 12 persons in the United States to assume teaching positions in the new Faculty of Agriculture. A.I.D., in its policy dialogue with the MAF, is emphasizing the need to move existing pullet and fruit tree distribution efforts to a self-sustaining basis.

Education:

An education sector assessment was conducted in FY 1985 to provide an analytical base for reformulation of the long-term A.I.D. assistance in basic education.

During FY 1986, education and training will continue to play a major role in A.I.D.'s strategy to assist the Yemen Government to develop its human resource base. Approximately 166 participants will complete academic training in the United States and third countries during this period bringing the total number of Yemenis trained under A.I.D. projects to 894 since 1974, an additional 101 participants will begin long-term academic training this fiscal year. The technical assistance contractor under the Development Training III Project (279-0080) will begin laying the informational and analytical basis for improving long-range manpower planning and for conducting in-depth training needs assessments of public and private sector entities prior to the development and presentation of in-country training programs. Development Training III Project resources will also be used to continue A.I.D.'s highly successful English language teaching program in cooperation with the United States Information Service. A.I.D. educational resources will continue to promote technology transfer through the training of faculty members for Sana'a University. By 1987, it is expected that the majority of the staff of the Faculties of Science and Education will be U.S.-trained PHDs; this same result will be achieved for the Faculty of Agriculture by 1989. Training of teacher trainers and educational administrators will continue in FY 1986 under the Basic Education Development Project (279-0053). To date, 110 U.S. trained Yemeni teacher trainers have assumed positions in Yemen's teacher training institutes and 55 are presently in training.

A.I.D., in its policy dialogue with the Ministry of Education, is focusing on improving educational efficiency and the utilization of trained manpower.

Health

In FY 1986, support will continue for activities including the Tihama Primary Health Care Project (270-0065) and Small Rural Water Systems (279-0044). A five-year extension of the latter project was approved in 1984, based upon the recommendations of an evaluation which concluded that although many village water systems, have been constructed, much more remains to be done to institutionalize this capacity within the Ministry of Public Works, and to promote consciousness of health and sanitation hazards in villages among populations receiving new water systems.

A.I.D. also plans during FY 1986 to initiate a new Child Survival project (279-0082) which will assist the Yemen Government to mount a direct attack on Yemen's major health problems of infant and maternal morbidity and mortality.

Earthquake Reconstruction

Another significant element of the FY 1986 program is the continuation of earthquake reconstruction activities in the Dhamar area. In FY 1984 and FY 1985, A.I.D. provided PL 480 Title I resources. Local currency proceeds from these sales are being used to assist in the reconstruction of homes and provision of necessary infrastructure (schools, roads, etc.) in Dhamar Province, in conjunction with the effort of the Kingdom of the Netherlands and the European Economic Community. By the end of 1985, A.I.D. estimates that approximately 250 homes will be under construction or completed, and an additional 650 reconstruction contracts will have been signed.

YEMEN

A.I.D./Peace Corps

A.I.D. cooperation with the Peace Corps will continue. One element is the regionally-funded Small Project Assistance program, where funds each year are used for self-help activities. Peace Corps volunteers are also on the staff of the Small Rural Water Systems project and provide English language training for A.I.D. participants at the Yemen-American Language Institute.

Requested Year Program (FY 1987)

Agriculture

Funds are needed to continue agricultural activities which focus on training and institution building, increasing poultry and horticultural productivity, and demonstrating effective on-farm water use. A PL 480 Title I program is requested to assist the Yemen Government to meet its grain import requirements during this period of foreign exchange scarcity prior to the generation of oil revenues. Proceeds from the sale of commodities will be used to support the development of the Faculty of Agriculture and other priorities established by the Ministry of Agriculture and Fisheries.

Education:

A.I.D. will continue the ongoing comprehensive human resources training program.

Health:

Funds will be utilized for continuing programs in rural water and child survival. The Small Rural Water Systems project will develop rural potable water systems, and provide technical assistance and training for the Rural Water Supply Division, and health and sanitation improvements at the village level. The Child Survival project will continue efforts begun in FY 1986 to promote a number of health care interventions designed to alleviate the causes of maternal and child health problems.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: YEMEN

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
LOCAL RESOURCES FOR DEVELOPMENT		G	279-0045	79	84	8,720	7,989	7,989	7,884	---	105	---	---
AGRICULTURAL DEVELOPMENT SUPPORT		G	279-0052	79	95	82,331	161,520	57,248	38,780	11,550	17,900	11,500	14,900
TOTAL FOR ACCOUNT						91,051	169,509	65,237	46,664	11,550	18,005	11,500	14,900
GRANTS						91,051	169,509	65,237	46,664	11,550	18,005	11,500	14,900
LOANS						---	---	---	---	---	---	---	---
HEALTH													
WATER SUPPLY SYSTEMS MANAGEMENT		G	279-0028	77	82	6,100	6,100	6,100	5,784	---	316	---	---
SMALL RURAL WATER SYSTEMS		G	279-0044	79	88	21,500	21,500	17,188	12,368	750	3,200	2,130	2,500
TIHAMA PRIMARY HEALTH CARE		G	279-0065	80	86	11,500	8,943	8,943	5,839	---	2,000	---	1,104
CHILD SURVIVAL		G	279-0082	86	90	---	20,000	---	---	3,200	---	2,300	1,500
TOTAL FOR ACCOUNT						39,100	56,543	32,231	23,991	3,950	5,516	4,430	5,104
GRANTS						39,100	56,543	32,231	23,991	3,950	5,516	4,430	5,104
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
DEVELOPMENT TRAINING II		G	279-0040	78	83	20,174	20,174	20,174	17,719	---	2,300	---	155
BASIC EDUCATIONAL DEVELOPMENT		G	279-0053	79	85	28,293	18,739	18,739	11,710	---	3,000	---	3,000
DEVELOPMENT TRAINING III		G	279-0080	84	93	40,000	80,000	10,037	1,601	7,500	4,000	10,070	4,000
TOTAL FOR ACCOUNT						88,467	118,913	48,950	31,030	7,500	9,300	10,070	7,155
GRANTS						88,467	118,913	48,950	31,030	7,500	9,300	10,070	7,155
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
SMALL PROJECT ASSISTANCE/PEACE CORPS		G	279-0054	83	C	---	---	80	14	---	---	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: YEMEN

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT						---	---	80	14	---	---	---	---
GRANTS						---	---	80	14	---	---	---	---
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						218,618	344,965	146,498	101,699	23,000	32,821	26,000	27,159
GRANTS						218,618	344,965	146,498	101,699	23,000	32,821	26,000	27,159
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

ASIA AND THE NEAR EAST REGIONAL PROGRAM

ANE REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	42,973	7,767	2,661	3,561	5,702	5,080	18,202	
Total	42,973	7,767	2,661	3,561	5,702	5,080	18,202	
1986								
Loans	-	-	-	-	-	-	-	-
Grants	46,911	10,229	2,634	2,554	5,801	4,564	21,129	
Total	46,911	10,229	2,634	2,554	5,801	4,564	21,129	
1987								
Loans	-	-	-	-	-	-	-	-
Grants	52,100	8,702	1,971	2,830	5,147	3,450	30,000	-
Total	52,100	8,702	1,971	2,830	5,147	3,450	30,000	-

FY 1987
PROGRAM HIGHLIGHTS

The Asia Near East Regional program request for FY 1987 includes:

- $18 million for activities in the West Bank and Gaza Strip
- $8.8 million for Project Development and Support, chiefly project design and evaluation costs.
- $5.8 million for Regional Cooperation programs in the Middle East
- $5.0 million for support to non-communist Cambodian resistance forces.
- $3.8 million for regional activities with the Association of South East Asian Nations (ASEAN)
- $3.9 million for the Asian-American Free Labor Institute programs.

ANE REGIONAL

PERSONNEL DATA			
Category	FY (Actual)	FY (Estimated)	FY (Proposed)
U.S. National Personnel			
AID Direct Hire[a]			
PASA[b]			
TOTAL			

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	181	25	206	177	37	214	166	47	213
TOTAL	181	25	206	177	37	214	166	47	213

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	84	110	194	75	196	271	68	218	286
TOTAL	84	110	194	75	196	271	68	218	286

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

ANE REGIONAL

The Asia and Near East Regional program is funded from Economic Support Funds (ESF) and Development Assistance (DA) budgetary sources. It groups together a wide-ranging portfolio of regionally and subregionally focused activities in a number of sectors, aimed at a variety of political and developmental objectives. The largest of these activities are briefly described below.

The West Bank and Gaza (398-0159) program supports projects to improve living and employment conditions of Palestinians residing in the West Bank and Gaza. Activities have been implemented by United States and indigenous private and voluntary organizations (PVOs) and other institutions. The assistance concentrates on health and sanitation, agricultural development, water storage and distribution, community and rural development, and vocational and higher education.

Actual and projected activities from the beginning of the program in FY 1975 through FY 1986 include: advanced training of 230 faculty members from West Bank and Gaza institutions at American universities; scholarship programs for over 1,200 undergraduates at five West Bank institutions; short term training in the United States for approximately 125 participants; activities with indigenous cooperatives and other groups in agricultural development; provision of health education services to 10,000 mothers in the West Bank and Gaza; assistance to community groups for construction and equipping of community centers, schools, clinics, electrical systems and access roads; training services for an estimated 200 families with handicapped children in the West Bank and Gaza, and equipping of four training enters for the handicapped; and scores of self-help projects with communities and municipalities to expand and improve water supply systems.

Funds requested for FY 1987 will permit both U.S. and local PVOs to continue and expand basic health services. Additionally, the American Near East Refugee Aid (ANERA) will continue its work in improving water supply systems and assisting cooperatives in land reclamation, marketing, and provision of other agricultural services. Save the Children/Community Development Foundation (SCF/CDF) will develop additional self-help projects in agriculture, water storage and distribution, and health and education. Catholic Relief Services (CRS) will expand its activities in health education and rural community self-help. The American-Mideast Educational and Training Services (AMIDEAST) will continue its support to institutions of higher education. Support for additional institutions, including but not limited to PVOs, may also be provided if sound activities are identified which address quality-of-life concerns. A.I.D. is particularly interested in finding ways to stimulate private sector activity in the West Bank and Gaza, and supporting institutions which can serve to channel funds to private borrowers for productive uses in agriculture and industry. We will also explore opportunities to meet needs for technical expertise in marketing and management.

Under the Regional Cooperation project (398-0158), A.I.D. funds activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Since FY 1979, when this program was first mandated by Congress, joint projects involving Arabs and Israelis have been successfully implemented in the marine sciences, psychological perceptions of the Middle East conflict, infectious diseases, arid land agriculture, agricultural technology exchange and environmental training for young people. In most instances U.S. institutions have been instrumental in bridging the gap between the former enemies. In addition, a small amount of funding has been made available to the United States Embassies in Tel Aviv and Cairo to support cooperative activities proposed by local sponsors. The Regional Cooperation activities involve a number of Egyptian, Israeli and American universities, government agencies and other institutions. They bring Arabs and Israelis into direct contact on problems of mutual concern, creating ties which may eventually lead to self-sustaining relationships and greater confidence.

FY 1987 funding will continue support for agricultural, marine sciences and infectious diseases projects, as well as activities proposed locally to the Embassies and A.I.D. Activities in nutrition as well as other new and innovative proposals to expand the areas of cooperation between Israel and its Arab neighbors may also receive support.

Instititutional support will continue in FY 1987 for the the Asian-American Free Labor Institute (398-0263), which operates labor support programs in fourteen countries in the region.

The Program Development and Support (PD&S) project (398-0249) provides funding for feasibility work, project design and development, project and program evaluation, and selected special studies, in support of the bilaterally-funded project portfolio.

The regional Association of South East Asian Nations (ASEAN), comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, receives assistance in the form of a number of projects focused on human resources development and applied research in watershed management, marine sciences, small and medium enterprise development, and energy conservation.

Funds are also requested for a variety of smaller projects under the Asia and Near East Regional program, in support of a number of initiatives which can most efficiently be addressed on a regional rather than a bilateral basis. These include private sector development, irrigation water management, environmental activities, Child Survival, technical information dissemination, population, Peace Corps cooperation, Section 116(e) human rights activities, PVO cofinancing projects, rainfed agriculture, and the India Technical Collaboration program.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ASIA AND NEAR EAST REGIONAL

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	398-0249	86	C	---	---	---	---	6,430	1,119	4,250	3,169
EXTENSION OF SMALL SCALE AG EQUIPMENT		G	398-0265	86	86	---	264	---	---	264	66	---	132
WATER MANAGEMENT SUPPORT		G	398-0274	86	92	---	1,000	---	---	825	825	800	250
FORESTRY AND BIO-RESOURCE SYSTEM MGT.	*	G	398-0276	87	89	2,500	2,500	---	---	---	---	475	119
SMALL PROJECT ASSISTANCE - PEACE CORPS		G	398-0279	86	C	---	---	---	---	80	40	160	120
TECHNICAL COLLABORATION		G	398-0282	86	C	---	---	---	---	720	175	977	725
ASEAN COASTAL RESOURCES MANAGEMENT		G	398-0286	86	87	5,000	5,000	---	---	1,800	375	500	1,000
ASEAN HUMAN RESOURCES DEVELOPMENT		G	398-0287	86	88	---	1,140	---	---	---	---	1,140	160
RAINFED AG INFORMATION		G	398-0330	86	90	---	3,200	---	---	110	28	400	155
TOTAL FOR ACCOUNT						7,500	19,104	---	---	10,229	2,628	8,702	5,830
GRANTS						7,500	19,104	---	---	10,229	2,628	8,702	5,830
LOANS						---	---	---	---	---	---	---	---
POPULATION PLANNING													
REGIONAL POPULATION ACTIVITIES		G	398-0048	86	91	4,260	7,020	---	---	1,360	365	1,400	1,080
PROGRAM DEVELOPMENT AND SUPPORT		G	398-0249	86	C	---	---	---	---	1,274	238	571	600
TOTAL FOR ACCOUNT						4,260	7,020	---	---	2,634	603	1,971	1,680
GRANTS						4,260	7,020	---	---	2,634	603	1,971	1,680
LOANS						---	---	---	---	---	---	---	---
HEALTH													

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ASIA AND NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
REGIONAL ENVIRONMENTAL ACTIVITIES	G	398-0173	86	88	---	1,075	---	---	275	70	400	240
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	2,279	375	1,429	1,125
ASEAN HUMAN RESOURCES DEVELOPMENT	G	398-0287	86	88	---	1,001	---	---	---	---	1,001	175
TOTAL FOR ACCOUNT					---	2,076	---	---	2,554	445	2,830	1,540
GRANTS					---	2,076	---	---	2,554	445	2,830	1,540
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
SCIENCE AND TECHNICAL INFO TRANSFER	G	398-0049	86	87	---	510	---	---	353	350	157	---
LEGAL EDUCATION AND TRAINING	G	398-0054	86	87	---	200	---	---	100	100	100	---
INTERNATIONAL DEVELOPMENT LAW INSTITUTE	G	398-0056	86	88	---	1,500	---	---	480	250	250	---
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	968	400	500	---
ASIA AMERICAN FREE LABOR INSTITUTE	G	398-0263	86	C	---	---	---	---	3,900	3,900	3,900	3,900
ASEAN HUMAN RESOURCES DEVELOPMENT	G	398-0287	86	88	---	890	---	---	---	---	240	---
TOTAL FOR ACCOUNT					---	3,100	---	---	5,801	5,000	5,147	3,900
GRANTS					---	3,100	---	---	5,801	5,000	5,147	3,900
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	398-0050	86	89	---	1,600	---	---	400	100	400	300
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	1,744	410	1,420	1,105

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ASIA AND NEAR EAST REGIONAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE AND VOLUNTARY ORGANIZATIONS		G	398-0251	86	C	---	---	---	---	600	150	300	375
ASEAN SMALL-MEDIUM BUSINESS IMPROVEMENT		G	398-0277	86	86	---	150	---	---	150	40	---	80
SMALL PROJECT ASSISTANCE - PEACE CORPS		G	398-0279	86	C	---	---	---	---	120	40	130	105
HUMAN RIGHTS		G	398-0280	86	C	---	---	---	---	200	50	200	150
ASEAN ENERGY CONSERVATION AND MGT		G	398-0285	86	88	5,000	5,000	---	---	1,350	330	1,000	1,000
TOTAL FOR ACCOUNT						5,000	6,750	---	---	4,564	1,120	3,450	3,115
GRANTS						5,000	6,750	---	---	4,564	1,120	3,450	3,115
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
REGIONAL POPULATION ACTIVITIES		G	398-0048	86	91	2,401	2,801	---	---	159	25	300	175
LEGAL EDUCATION AND TRAINING		G	398-0054	86	87	---	200	---	---	100	25	100	75
REGIONAL COOPERATION		G	398-0158	86	C	---	---	---	---	2,870	690	5,800	2,980
WEST BANK/GAZA DEVELOPMENT		G	398-0159	86	C	---	---	---	---	13,950	3,563	18,000	11,140
HUMAN RIGHTS EDUCATION		G	398-0201	86	87	---	100	---	---	---	---	100	100
PROGRAM DEVELOPMENT AND SUPPORT		G	398-0249	86	C	---	---	---	---	700	175	700	450
CAMBODIAN RESISTANCE		G	442-0100	86	87	---	8,350	---	---	3,350	3,350	5,000	5,000
TOTAL FOR ACCOUNT						2,401	11,451	---	---	21,129	7,828	30,000	19,920
GRANTS						2,401	11,451	---	---	21,129	7,828	30,000	19,920
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						19,161	49,501	---	---	46,911	17,624	52,100	35,985
GRANTS						19,161	49,501	---	---	46,911	17,624	52,100	35,985
LOANS						---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ASIA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	25,978	23,491	---	1,865	---	622
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	10,536	9,593	---	707	---	236
ASEAN PLANT QUARANTINE	G	498-0258.02	80	85	5,400	4,371	2,800	705	---	1,571	---	524
ASEAN WATERSHED MANAGEMENT	G	498-0258.03	83	85	3,000	1,905	1,905	81	---	1,368	---	456
ASEAN AIT SCHOLARSHIP AND RESEARCH	G	498-0258.04	79	85	2,500	500	500	---	---	375	---	125
ASEAN AGRICULTURE DEV PLANNING CENTER	G	498-0258.11	80	85	3,000	2,900	2,900	1,987	---	684	---	229
EXTENSION OF SMALL SCALE AG EQUIPMENT	G	498-0265	76	85	4,350	3,818	3,818	3,268	---	412	---	138
NONFARM ENTERPRISE PROGRAM DEVELOPMENT	G	498-0275	83	85	3,600	3,600	300	152	---	100	---	45
SMALL PROJECT ASSISTANCE - PEACE CORPS	G	498-0279	83	C	---	---	130	40	---	90	---	---
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	766	77	---	516	---	173
ASEAN LIVING COASTAL RESOURCES MGT	G	498-0286	85	85	3,750	2,700	2,700	---	---	2,025	---	675
TOTAL FOR ACCOUNT					25,600	19,794	52,333	39,394	---	9,713	---	3,223
GRANTS					25,600	19,794	52,333	39,394	---	9,713	---	3,223
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	1,223	808	---	311	---	104
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	110	---	---	110	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ASIA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					---	---	1,333	808	---	421	---	104
GRANTS					---	---	1,333	808	---	421	---	104
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	8,328	6,616	---	1,284	---	428
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	156	156	156	---	---	117	---	39
ASEAN HEALTH SCHOLARSHIPS	G	498-0258.07			2,000	2,000	2,000	789	---	908	---	303
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	1,500	---	---	1,125	---	375
TOTAL FOR ACCOUNT					2,156	2,156	11,984	7,405	---	3,434	---	1,145
GRANTS					2,156	2,156	11,984	7,405	---	3,434	---	1,145
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	2,655	2,530	---	93	---	32
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	6,294	6,294	6,294	6,079	---	161	---	54
ASEAN AIT SCHOLARSHIP AND RESEARCH	G	498-0258.04	79	85	1,925	3,425	1,775	680	---	821	---	274
ASEAN ISEAS FELLOWSHIPS	G	498-0258.10	79	85	245	245	245	---	---	245	---	---
ASIAN AMERICAN FREE LABOR INSTITUTE	G	498-0263	80	C	---	---	24,400	20,914	---	2,614	---	872
TOTAL FOR ACCOUNT					8,464	9,964	35,369	30,203	---	3,934	---	1,232
GRANTS					8,464	9,964	35,369	30,203	---	3,934	---	1,232
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	6,359	5,832	---	395	---	132

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: ASIA REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	5,895	5,895	5,895	5,178	---	537	---	180
REGIONAL REMOTE SENSING CENTER	G	498-0253	79	85	5,600	5,060	5,060	4,191	---	651	---	218
ASEAN-ENERGY COOPERATION IN DEVELOPMENT	G	498-0272	82	85	1,000	1,000	1,000	643	---	267	---	90
ASEAN SMALL-MEDIUM BUSINESS IMPROVEMENT	G	498-0277	84	85	3,200	3,200	3,200	682	---	1,888	---	630
ASEAN ENERGY CONSERVATION AND MGT	G	498-0285	85	85	1,975	1,975	1,975	---	---	1,481	---	494
TOTAL FOR ACCOUNT					17,670	17,130	23,489	16,526	---	5,219	---	1,744
GRANTS					17,670	17,130	23,489	16,526	---	5,219	---	1,744
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					53,890	49,044	124,508	94,336	---	22,721	---	7,448
GRANTS					53,890	49,044	124,508	94,336	---	22,721	---	7,448
LOANS					---	---	---	---	---	---	---	---

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	7,461	7,039	---	316	---	106
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	298-0050	84	85	125	125	125	---	---	93	---	32
TOTAL FOR ACCOUNT					125	125	7,586	7,039	---	409	---	138
GRANTS					125	125	7,586	7,039	---	409	---	138
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
REGIONAL POPULATION ACTIVITIES	G	298-0048	83	85	4,219	4,219	4,219	1,917	---	1,726	---	576
TOTAL FOR ACCOUNT					4,219	4,219	4,219	1,917	---	1,726	---	576
GRANTS					4,219	4,219	4,219	1,917	---	1,726	---	576
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	789	564	---	168	---	57
REGIONAL ENVIRONMENTAL ACTIVITIES	G	298-0178	84	85	396	396	396	146	---	200	---	50
TOTAL FOR ACCOUNT					396	396	1,185	710	---	368	---	107
GRANTS					396	396	1,185	710	---	368	---	107
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
AMERICAN UNIVERSITY OF BEIRUT	G	298-0015	51	85	65,400	46,061	46,061	45,606	---	341	---	114
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	1,270	1,166	---	78	---	26
SCIENCE AND TECHNICAL INFO TRANSFER	G	298-0049	83	85	790	790	790	503	---	215	---	72
LEGAL EDUCATION AND TRAINING	G	298-0054	83	85	150	150	150	50	---	75	---	25

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: NEAR EAST REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
MASS MEDIA BASIC EDUCATION	G	298-0193	84	85	3,500	1,974	1,974	---	---	1,480	---	494
TOTAL FOR ACCOUNT					69,840	48,975	50,245	47,325	---	2,189	---	731
GRANTS					69,840	48,975	50,245	47,325	---	2,189	---	731
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	1,564	1,252	---	234	---	78
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	298-0050	84	85	887	887	887	497	---	292	---	98
HUMAN RIGHTS EDUCATION	G	298-0201	85	85	238	238	238	---	---	178	---	60
TOTAL FOR ACCOUNT					1,125	1,125	2,689	1,749	---	704	---	236
GRANTS					1,125	1,125	2,689	1,749	---	704	---	236
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
REGIONAL POPULATION ACTIVITIES	G	298-0045	83	85	692	692	692	303	---	291	---	98
LEGAL EDUCATION AND TRAINING	G	298-0054	85	85	100	100	100	---	---	75	---	25
PROJECT DEVELOPMENT AND SUPPORT	G	298-0150	78	C	---	---	3,496	2,946	---	412	---	138
REGIONAL COOPERATION	G	298-0158	79	C	---	---	4,630	450	---	3,135	---	1,045
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G	298-0159	79	C	---	---	12,129	624	---	8,628	---	2,877
HOLY LAND CHRISTIAN MISSION	G	298-0171	85	85	575	575	575	375	---	150	---	50
MASS MEDIA BASIC EDUCATION	G	298-0193	84	85	1,323	1,323	1,323	330	---	744	---	249
TOTAL FOR ACCOUNT					2,690	2,690	22,945	5,028	---	13,435	---	4,482
GRANTS					2,690	2,690	22,945	5,028	---	13,435	---	4,482
LOANS					---	---	---	---	---	---	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY					78,395	57,530	88,869	63,768	---	18,831	---	6,270
GRANTS					78,395	57,530	88,869	63,768	---	18,831	---	6,27C
LOANS					---	---	---	---	---	---	---	---

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GLevel of effort activity

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PROGRAM: ANE Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Forestry Research and Development		475		FY 87 475	Life of Project Funding 2,000	
Number 398-0276 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 92	Estimated Completion Date of Project FY 93

Purpose: To strengthen Asian capabilities to plan, manage and implement research on forestry, agroforestry, and rural development, with emphasis on multipurpose trees.

Background: The nature and magnitude of Asian governments' responses to the problem of deforestation varies greatly within the region. At least six institutional approaches are being pursued. The research and education facilities in Asian countries to support these emerging forestry programs are extremely limited and generally oriented towards traditional forest protection and commercial planting and extraction. Knowledge of indigenous and exotic short-rotation species for planting in the now forestry programs is limited and research on production and management of these species is just beginning. Most of the social forestry or wood energy programs are motivated by a desire to improve the welfare of the poor farmer. But support for the analysis and evaluation of the needs of these groups and the impact of programs on them is lacking in virtually every country.

Project Description: This project is a cooperative effort with the S&T Bureau and will support the following activities in Asia: 1) The Research Policy, Planning and Management component will assist countries in preparing and assessing forestry, agroforestry and related social and economic research policies, programs and projects. Through regional training, it will increase national management capabilities in forestry, agroforestry, watershed and natural resource management; 2) The Network Development and Research component will support existing and new networks for research on multipurpose trees. A land and forest resource management network will be developed that will focus on the social and economic issues in forestry, agroforestry, and rural development. It will also support the development of a number of networks on specific multipurpose tree species that can be introduced in agroforestry and farming systems.

Relationship of Project to A.I.D. Strategy: This project addresses research on fuelwood production specified in the A.I.D. energy and forestry strategies as well as one of the four research priorities designated by the Administrator and the need to improve watershed management and develop multipurpose trees for agroforestry systems specified in the environment and agriculture strategies.

Beneficiaries: Asian forestry research institutions and scientists will be the primary beneficiaries.

Host Country and Other Donors: Funding for an International Union of Forestry Research Organizations Conference and other activities will be sought from the World Bank, the Canadian International Development Agency, the Danish International Development Authority, and the Swedish International Development Agency.

Major Outputs	All Years
Research Policy and Management	
Country forestry R&D plans	3
Institutional plans	6
Regional Planning Workshops & Training Seminars	23
Information Systems	8
Network Development and Research	
Site Visits	8
Newsletters & Research Reports	43
Training Seminars	10

A.I.D.-Financed Inputs	Life of Project ($ thousands)
Research Policy, Planning & Management	475
Network Development and Research	1,350
Evaluation	175
	$2,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	- 0 -	- 0 -	- 0 -
Estimated Fiscal Year 1986	- 0 -	- 0 -	
Estimated Through September 30, 1986	- 0 -	- 0 -	- 0 -
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	475	1,525	2,000

Principal Contractors or Agencies

To be determined

TERMINATING PROGRAMS

937

ITALY

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COUNTRY:  (145) ITALY

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*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     57,116

PER CAPITA GNP.......... (DOLLARS,1983)      6,400

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.8%

ANNUAL RATE OF INFLATION (1973-83) 17.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977)   6.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 74.6  MALE 71.4  FEMALE 78.0
                    (1970)   TOTAL 71.6  MALE 68.7  FEMALE 74.5

ADULT LITERACY RATE  (1971)   TOTAL  94%  MALE  95%  FEMALE  93%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (   .-   .)     . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       323


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: . .. ..                                 .%   (   .)
  CASH: . .. ..                                        .%   (   .)

MAJOR AGRICULTURAL EXPORTS:(    .) . .. ..

MAJOR AGRICULTURAL IMPORTS:(    .) . .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    13%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
               (1978)     89,396 '(79)     113,919 (80)     144,686
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)    118,877 (79)     1[illegible].164 (80)     191,536
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)    -29,481 (79)     -32,246 (80)     -46,850
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978)  3.1% (79)  3.4% (80)  3.3%
  AS % OF GNP................. (1978)  1.4% (79)  1.5% (80)  1.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982)37,775 (83)45,992 (84)42,409
  EQUIVALENT TO  5.1 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)MACH. AND EQ.   .TEXTILES        .FOODSTUFFS

EXPORTS TO U.S.
   ($ MILLIONS, US. FOB) (1982)5,191  (1983)5,582  (1984)7,947
   AS % OF TOTAL EXPORTS (1981)    8% (1982)    8% (1983)    8%

MAJOR IMPORTS(1983)MACH.TRANSP EQ .FOODSTUFFS      .METALS

IMPORTS FROM U.S.
   ($ MILLIONS, US. CIF) (1982)5,855  (1983)4,784  (1984)5,137
   AS % OF TOTAL IMPORTS (1981)    8% (1982)    8% (1983)    7%

TRADE BALANCE($ MILLIONS, U.S.)(1981)-10,762(82) -7,999(83)-3,131

TRADING PARTNERS: GERMANY, FEDER .FRANCE .UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (    .)        . %

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (    .)     .
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (    .)    . %
-------------
*SOCIAL DATA*
------ ------
POPULATION GROWTH RATE...(1970)   0.6% (1978)   0.2% (1985)  0.2%

POPULATION IN URBAN AREAS............(1970)    64%   (1985)   72%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)     .    (1985)     11

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1979)  78.0%

POPULATION (1985) IN AGE GROUP:
                   (0-14YRS) 19.5% (15-64YRS) 67.6% (65+ YRS) 13.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  12

PEOPLE PER PHYSICIAN................. (1979)    342

MAJOR CAUSES OF
DISEASE (1979) MEASLES         ,UNKNOWN AILMENTS,CHILDHOOD DIS.
DEATH.. (1978) HEART DISEASE   ,STROKE            ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   135%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(    .)   .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL  84.3   MALE  84.7    FEMALE  84.6
SECONDARY....... (1982)  TOTAL  98.2   MALE   101    FEMALE  95.2
POST SECONDARY.. (1980)  TOTAL  22.1   MALE  24.8    FEMALE  19.2

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     16.0%
```

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ITALY

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
INTERNATIONAL DISASTER ASSISTANCE												
ITALIAN PROGRAM	G	145-0001	81	85	71,655	71,655	71,656	25,075	---	15,000	---	10,000
TOTAL FOR ACCOUNT					71,655	71,655	71,656	25,075	---	15,000	---	10,000
GRANTS					71,655	71,655	71,656	25,075	---	15,000	---	10,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					71,655	71,655	71,656	25,075	---	15,000	---	10,000
GRANTS					71,655	71,655	71,656	25,075	---	15,000	---	10,000
LOANS					---	---	---	---	---	---	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

POLAND

```
                                                FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (181) POLAND

-------------
*BASIC DATA*
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)     37,233

PER CAPITA GNP.......... (DOLLARS,   .)         .

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (   .- .)   . %

ANNUAL RATE OF INFLATION (    .- .)   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 72.4  MALE 68.6  FEMALE 76.3
                     (1970)   TOTAL 70.2  MALE 66.9  FEMALE 73.6

ADULT LITERACY RATE  (1978)   TOTAL  99%  MALE  99%  FEMALE  98%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP.............(1977)    16%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       192


MAJOR CROP(S)                                 ARABLE LAND  YEAR
  SUBSISTENCE: . .. ..                                .%   (   .)
  CASH: . .. ..                                       .%   (   .)

MAJOR AGRICULTURAL EXPORTS:(   .) . .. ..

MAJOR AGRICULTURAL IMPORTS:(   .) . .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1978)    30%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (   .)          . ( .)            . ( .)          .
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (   .)          . ( .)            . ( .)          .
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (   .)          . ( .)            . ( .)          .
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (   .)   . % ( .)   . % ( .)    . %
  AS % OF GNP................. (   .)   . % ( .)   . % ( .)    . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (   .)   . ( .)     . ( .)      .
  EQUIVALENT TO   .  MONTHS OF IMPORTS (   .)
```

```
---------------
*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)MACH AND EQUIP .FUEL          .RAW MAT.

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (   .)    .  (   .)    .  (1983)  190
   AS % OF TOTAL EXPORTS (   .)    .% (   .)    .% (   .)   .%

MAJOR IMPORTS(1983)MACHINERY      .FUELS         .RAW MAT/SEMI-MF

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (   .)    .  (   .)    .  (1983)  356
   AS % OF TOTAL IMPORTS (   .)    .% (   .)    .% (   .)   .%

TRADE BALANCE($ MILLIONS, U.S.)(   .)      .( .)      .( .)      .

TRADING PARTNERS: FRANCE ,ROMANIA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (   .)      . %

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.).............................. (   .)     .
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (   .)     . %
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   0.8% (1978)   0.9% (1985)  0.8%

POPULATION IN URBAN AREAS............(1970)    52%   (1985)   59%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    17    (1985)    19

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)  75.0%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 25.0% (15-64YRS) 65.6% (65+ YRS)  9.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  18

PEOPLE PER PHYSICIAN................ (1979)    573

MAJOR CAUSES OF
DISEASE (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (1979) HEART DISEASE    ,CIRCULATORY      ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   133%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)  47%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL   127   MALE   128    FEMALE   126
SECONDARY....... (1982)  TOTAL  49.6   MALE  53.2    FEMALE  55.9
POST SECONDARY.. (1981)  TOTAL  14.7   MALE  12.8    FEMALE  16.7

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     106%
```

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: POLAND

CP 07

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURE FOUNDATION	G	181-0002	86	88	---	10,000	---	---	10,000	2,000	---	3,000
TOTAL FOR ACCOUNT		6			---	10,000	---	---	10,000	2,000	---	3,000
GRANTS					---	10,000	---	---	10,000	2,000	---	3,000
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
MEDICAL SUPPLIES POLAND	G	181-0003	86	86	5,000	9,000	---	---	4,000	1,500	---	2,500
TOTAL FOR ACCOUNT					5,000	9,000	---	---	4,000	1,500	---	2,500
GRANTS					5,000	9,000	---	---	4,000	1,500	---	2,500
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					5,000	19,000	---	---	14,000	3,500	---	5,500
GRANTS					5,000	19,000	---	---	14,000	3,500	---	5,500
LOANS					---	---	---	---	---	---	---	---

---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

ADDITIONAL PROGRAM REQUIREMENTS

ANE-PHILIPPINES

ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Statistical Services	Six Years	Grant 2,000	To improve data collection, processing and analysis capabilities of the Government of the Philippines (GOP) in Manila and regional centers, with particular attention to economic and agricultural data.
Watershed Rehabilitation	Eight Years	Grant 10,000	To develop GOP institutional capability, to rehabilitate and manage de-forested, watershed areas.

*Projects identified for implementation if additional funds become available. ("Shelf Projects")

AGENCY FOR INTERNATIONAL DEVELOPMENT

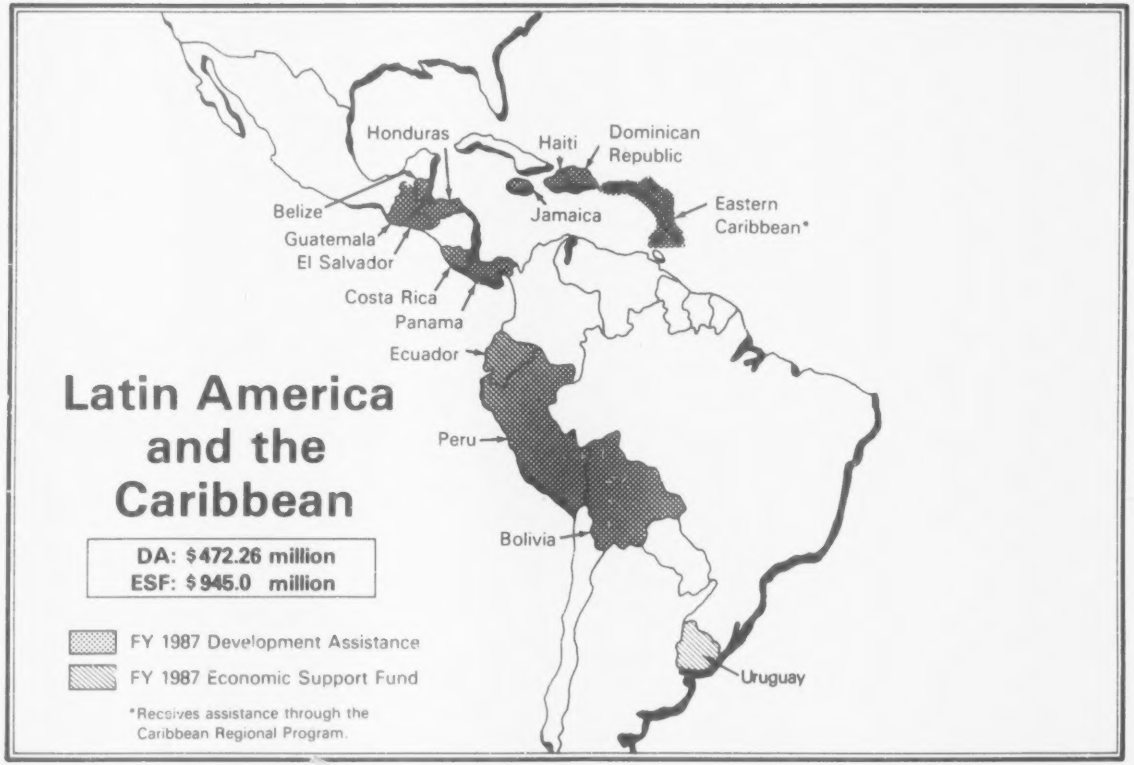
Congressional Presentation
Fiscal Year 1987
ANNEX III

Latin America and the Caribbean

Responsible Officer

Dwight Ink

DWIGHT A. INK
Assistant Administrator
Bureau for Latin America and the Caribbean


Latin America and the Caribbean
DA: $472.26 million
ESF: $945.0 million
▨ FY 1987 Development Assistance
▨ FY 1987 Economic Support Fund
*Receives assistance through the Caribbean Regional Program.
Honduras
Haiti
Dominican Republic
Belize
Jamaica
Eastern Caribbean*
Guatemala
El Salvador
Costa Rica
Panama
Ecuador
Peru
Bolivia
Uruguay

Annex III

Annex III presents to the Congress all Development Assistance (DA) and Economic Support Fund (ESF) programs for Latin America and the Caribbean (LAC) for which A.I.D. is requesting funds for FY 1987.

The Presentation begins with a region-wide summary table which provides a breakout by country and appropriation account of the funding requirements for the Latin American and Caribbean countries from FY 1985 to FY 1987. Programs are grouped by subregion (Central America, the Caribbean, and South America), and subtotals are shown for each subregion. There is also a table of economic and social data for countries that receive A.I.D. assistance.

The Overview of Latin America and Caribbean which follows provides a regional summary of the Agency's programs in Latin America and the Caribbean. This is followed by sections on Central America, the Caribbean, and South America which contain overviews and tables for each subregion, and country narratives describing the total A.I.D. program, including FY 1987. There is a separate section which describes the Latin America and Caribbean Regional program. Each narrative is followed by planned project summary sheets which present in detail the proposed new projects for FY 1987. Note that the regional projects presented in this annex are different from the centrally-funded programs described in Annex IV.

Requests for ESF and DA funds are shown together. The ESF requests are shown under the heading "Other Programs, ESF" on both the planned project summary sheets and the summary table of active and proposed projects.

Annex III concludes with tables on terminating programs.

LATIN AMERICA AND THE CARIBBEAN

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ACRONYMS

AIFLD - American Institute for Free Labor Development
ARDN - Agriculture, Rural Development and Nutrition

BLADEX - Latin American Export Bank

CABEI - Central American Bank for Economic Integration
CACM - Central American Common Market
CACMF - Central American Common Market Fund
CADO - Central American Development Organization
CAI - Central American Initiative
CAPS - Central American Peace Scholarships program
CARDI - Caribbean Agricultural Research and Development Institute
CARE - Cooperative for American Relief Everywhere
CARICOM - Caribbean Community and Common Market
CATIE - Center for Research and Training in Tropical Agriculture
CBI - Caribbean Basin Initiative
CCC - Commodity Credit Corporation
CDB - Caribbean Development Bank
CET - Common External Tariff
CRS - Catholic Relief Services
CURLA - Honduran University Agricultural School

DA - Development Assistance

EEC - European Economic Community
EHR - Education and Human Resources
ESF - Economic Support Fund

GDP - Gross Domestic Product
GNP - Gross National Product
GOB - Government of Belize
- Government of Bolivia
GOCR - Government of Costa Rica
GODR - Government of Dominican Republic
GOE - Government of Ecuador
GOES - Government of El Salvador
GOG - Government of Grenada
- Government of Guatemala
GOH - Government of Haiti
- Government of Honduras

GOJ - Government of Jamaica

GOP - Government of Panama
- Government of Peru

GOU - Government of Uruguay

HG - Housing Guaranty

IBRD - International Bank for Reconstruction and Development (World Bank)
ICAITI - Central American Industrial Research Institute
IDB - Inter-American Development Bank
IICA - Inter-American Institute for Cooperation on Agriculture
ILANUD - Latin American Institute on the Prevention of Crime and Treatment of Offenders
IMF - International Monetary Fund
INCAE - Central American Business School
INCAP - Nutrition Institute for Central American and Panama

LAAD - Latin American Agribusiness Development Corporation
LAC - Latin America and the Caribbean
LDC - Less Developed Country

MOA - Ministry of Agriculture
MOH - Ministry of Health

NBCCA - National Bipartisan Commission on Central America
NGO - Nongovernmental Organization

OPG - Operational Program Grant
ORT - Oral Rehydration Therapy

PADF - Pan American Development Foundation
PVO - Private and Voluntary Organization

RENARE - Panama Directorate of Renewable Resources
RTC - Regional Training Center

SDA - Selected Development Activities

TCIP - Trade Credit Insurance Program

UNFPA - United Nations Fund for Population Activities
USIA - United States Information Agency

WID - Women in Development

SUMMARY OF PROGRAMS BY COUNTY AND APPROPRIATION

SUMMARY OF LAC PROGRAMS BY SUBREGIONNAL COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
CENTRAL AMERICA									
BELIZE									
1984	3,875	3,230	---	240	---	---	405	---	---
1985	21,650	3,040	50	1,900	---	2,300	360	14,000	---
1986	8,464	1,850	50	2,250	---	650	1,750	1,914	---
1987	10,500	1,900	50	2,050	---	1,050	2,450	3,000	---
COSTA RICA									
1984	145,470	2,482	475	4,402	---	966	7,075	130,000	70
1985	180,547	2,950	1,125	50	---	3,796	12,605	160,000	21
1986	131,482	2,850	25	50	---	580	7,395	120,582	---
1987	166,000	1,350	25	50	---	600	13,975	150,000	---
EL SALVADOR									
1984	161,370	30,744	1,925	6,084	---	175	2,133	120,234	75
1985	372,755	31,998	6,225	14,875	---	9,125	25,532	285,000	---
1986	258,143	29,470	4,673	19,250	---	16,455	11,250	177,045	---
1987	325,000	38,152	4,000	8,698	---	15,000	19,150	240,000	---
GUATEMALA									
1984	4,491	2,252	1,273	550	---	200	100	---	116
1985	70,533	22,400	2,628	9,999	---	13,506	9,500	12,500	---
1986	82,850	16,500	2,753	5,200	1,600	5,200	3,747	47,850	---
1987	110,000	13,500	5,650	4,692	1,708	6,250	8,200	70,000	---
HONDURAS									
1984	70,995	21,140	1,700	2,150	---	1,905	4,100	40,000	---
1985	199,333	16,550	2,771	11,100	---	5,662	8,250	147,500	7,500
1986	104,463	26,678	4,136	5,847	---	4,529	2,025	61,248	---
1987	141,025	20,902	4,910	3,617	---	7,544	14,052	90,000	---
PANAMA									
1984	10,720	6,350	370	---	---	210	3,790	---	---
1985	68,822	10,065	290	---	---	2,395	6,072	50,000	---
1986	22,942	8,122	100	---	---	1,446	7,532	5,742	---
1987	46,100	8,300	---	---	---	2,500	7,300	28,000	---
ROCAP									
1984	15,458	10,291	---	20	---	1,100	4,047	---	---
1985	105,809	12,053	---	13,350	---	134	9,377	70,895	---
1986	20,490	11,815	---	2,625	---	2,400	3,650	200	---
1987	62,962	24,112	---	75	---	2,125	8,150	28,500	---

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
CENTRAL AMERICAN REGIONAL									
1984	---	---	---	---	---	---	---	---	---
1985	54,648	---	---	---	---	27,550	---	27,098	---
1986	80,269	3,314	1,190	9,938	---	13,665	684	51,478	---
1987	81,038	500	---	2,638	---	30,900	500	46,500	---
SUBTOTAL CENTRAL AMERICA									
1984	412,379	76,489	5,743	13,446	---	4,556	21,650	290,234	261
1985	1,074,097	99,056	13,089	51,274	---	64,468	71,696	766,993	7,521
1986	709,103	100,599	12,927	44,960	1,600	44,925	38,033	466,059	---
1987	942,625	108,716	14,635	21,820	1,708	65,969	73,777	656,000	---
CARIBBEAN									
DOMINICAN REPUBLIC									
1984	64,345	16,830	50	4,924	---	7,140	1,402	34,000	---
1985	125,079	17,010	263	1,448	---	7,438	3,919	95,000	---
1986	64,500	9,100	2,450	1,300	---	4,531	7,119	40,000	---
1987	78,658	15,000	1,650	3,200	---	1,100	7,709	50,000	---
HAITI									
1984	25,738	10,228	2,820	6,179	---	490	925	5,096	---
1985	30,721	11,959	3,002	5,170	3,000	1,000	1,487	5,000	73
1986	25,127	8,226	3,138	4,142	2,400	2,250	2,100	2,871	---
1987	27,256	10,165	3,040	4,050	---	2,900	2,100	5,000	---
JAMAICA									
1984	87,639	11,349	1,530	406	---	7,034	12,320	55,000	---
1985	114,560	15,555	2,138	244	---	7,045	9,565	81,000	10
1986	78,334	4,720	1,030	2,109	---	3,671	7,450	59,334	---
1987	123,000	8,000	1,500	1,500	---	4,000	5,000	100,000	---
CARIBBEAN REGIONAL									
1984	104,593	3,218	1,050	940	---	2,257	17,918	77,786	1,629
1985	57,635	7,946	2,130	3,450	---	4,999	7,984	31,128	---
1986	54,772	10,400	1,700	1,400	---	7,100	9,000	25,172	---
1987	70,834	12,434	700	1,200	---	9,700	11,800	35,000	---
SUBTOTAL CARIBBEAN									
1984	292,321	41,625	5,450	12,449	---	16,721	22,565	171,882	1,629
1985	327,994	52,498	7,533	10,312	3,000	20,455	21,955	212,128	83
1986	222,733	32,446	8,318	8,951	2,400	17,572	25,669	127,377	---
1987	299,748	45,500	5,890	9,950	---	17,700	29,603	190,000	---

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
SOUTH AMERICA									
BOLIVIA									
1984	52,348	10,565	5	612	---	779	1,059	---	39,328
1985	18,084	6,840	10	716	---	1,300	1,720	---	7,500
1986	23,647	3,780	30	252	500	880	3,850	14,355	---
1987	29,292	4,300	30	600	1,292	760	2,310	20,000	---
ECUADOR									
1984	22,566	7,527	839	302	---	1,089	1,711	---	11,098
1985	32,465	8,610	1,034	9,754	---	4,060	4,593	4,414	---
1986	42,597	9,050	800	3,650	---	4,750	4,250	20,097	---
1987	37,500	9,850	1,246	2,500	---	3,204	5,700	15,000	---
PARAGUAY									
1984	180	180	---	---	---	---	---	---	---
1985	48	48	---	---	---	---	---	---	---
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---
PERU									
1984	118,852	15,387	1,749	125	---	390	1,294	---	99,907
1985	38,156	13,002	4,100	2,570	---	2,554	1,959	---	13,971
1986	27,445	7,125	1,800	3,400	---	2,500	3,050	9,570	---
1987	57,000	8,200	1,600	4,500	---	1,300	4,400	37,000	---
URUGUAY									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	14,355	---	---	---	---	---	---	14,355	---
1987	15,000	---	---	---	---	---	---	15,000	---
SUBTOTAL SOUTH AMERICA									
1984	193,946	33,659	2,593	1,039	---	2,258	4,064	---	150,333
1985	88,753	28,500	5,144	13,038	---	7,914	8,272	4,414	21,471
1986	108,044	19,955	2,630	7,302	500	8,130	11,150	58,377	---
1987	138,792	22,350	2,876	7,600	1,292	5,264	12,410	87,000	---
LAC REGIONAL									
1984	22,963	2,830	300	186	---	12,686	4,961	2,000	---
1985	30,618	3,260	1,426	1,469	---	14,955	8,018	1,490	---
1986	34,102	3,790	2,236	3,073	---	12,826	5,480	6,699	---
1987	36,100	2,088	999	4,341	---	12,467	4,205	12,000	---
GRAND TOTAL									
1984	911,609	154,603	14,086	27,120	---	36,221	63,240	464,116	152,223
1985	1,521,462	183,316	27,192	76,093	3,000	107,822	109,941	985,025	29,075
1986	1,073,982	156,790	26,111	64,286	4,500	83,4[illegible]	80,332	658,512	---
1987	1,417,265	178,754	25,400	63,711	3,000	101,400	120,000	945,000	---

ECONOMIC AND SOCIAL DATA (REGIONAL SUMMARY)

5

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: LATIN AMERICA

	POPULATION		HEALTH				EDUCATION		--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECTANCY (YEARS)	PEOPLE PER DOCTOR	% POP WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICIPATION	POP/AGRICULTURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
BELIZE	165(85)	2.2% (85)	66(85)	2,978(77)	80% (70)	54(85)	91% (70)	45% (70)	150(82)	7(84)
BOLIVIA	6,195(85)	2.6% (85)	52(85)	1,849(74)	37% (80)	119(85)	63% (76)	51% (80)	19(82)	6(84)
BRAZIL	139,774(85)	2.5% (85)	65(85)	1,681(74)	71% (80)	65(85)	76% (78)	53% (80)	53(82)	16(84)
COSTA RICA	2,644(85)	2.6% (85)	74(85)	1,438(79)	84% (80)	19(85)	88% (73)	52% (80)	83(82)	48(84)
DOMINICAN REPUBLIC	6,460(85)	2.6% (85)	64(85)	4,211(76)	59% (80)	74(85)	72% (81)	45% (79)	164(82)	125(84)
ECUADOR	9,378(85)	2.8% (85)	64(85)	927(80)	52% (82)	63(85)	86% (82)	47% (80)	122(82)	30(84)
EL SALVADOR	4,981(85)	2.5% (85)	65(85)	3,217(80)	51% (80)	67(85)	62% (75)	48% (79)	382(82)	256(84)
GRENADA	88(85)	0.5% (85)	71(85)	4,341(78)	83% (75)	22(85)	98% (70)	41% (70)	453(82)	313(84)
GUATEMALA	8,346(85)	3.0% (85)	61(85)	1,833(82)	45% (80)	67(85)	46% (73)	54% (80)	242(82)	75(84)
HAITI	5,762(85)	1.9% (85)	55(85)	8,202(79)	12% (80)	107(85)	21% (71)	58% (80)	372(82)	194(84)
HONDURAS	4,499(85)	3.3% (85)	61(85)	3,123(79)	44% (80)	73(85)	57% (74)	49% (80)	77(82)	38(84)
JAMAICA	2,301(85)	1.0% (85)	72(85)	2,832(79)	92% (80)	18(85)	73% (81)	42% (80)	474(82)	208(84)
PANAMA	2,180(85)	2.1% (85)	71(85)	1,132(78)	82% (80)	25(85)	87% (80)	45% (80)	110(82)	26(84)
PARAGUAY	3,989(85)	3.2% (85)	66(85)	1,309(82)	21% (80)	52(85)	80% (72)	55% (80)	18(82)	8(84)
PERU	19,698(85)	2.6% (85)	60(85)	1,391(79)	51% (80)	82(85)	73% (72)	45% (81)	57(82)	14(84)
CP SUMMARY	216,458 *	2.5% #	64 #	1,940	63% #	68 #	73% #	52% #	185 @	91 @

* = SUM, @ = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, 1987

REGION: LATIN AMERICA

	POPULATION			HEALTH			EDUCATION		POPULATION DENSITY (PERSONS PER SQUARE KM)	
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECTANCY (YEARS)	PEOPLE PER DOCTOR	% POP WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICIPATION	POP/AGRICULTURAL LAND	POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
ARGENTINA	30,708(85)	1.5% (85)	70(85)	535(75)	57% (80)	34(85)	92% (71)	55% (80)	16(82)	11(84)
CHILE	12,042(85)	1.8% (85)	71(85)	1,925(79)	84% (80)	22(85)	89% (70)	46% (70)	66(82)	16(84)
COLOMBIA	29,347(85)	2.1% (85)	65(85)	1,921(77)	92% (80)	62(85)	85% (81)	46% (73)	76(82)	25(84)
GUYANA	768(85)	0.3% (85)	69(85)	9,271(79)	72% (80)	32(85)	92% (70)	41% (70)	46(82)	4(84)
MEXICO	79,662(85)	2.5% (85)	66(85)	1,253(74)	58% (81)	42(85)	83% (80)	42% (79)	75(82)	39(84)
NICARAGUA	3,232(85)	3.3% (85)	59(85)	2,205(80)	53% (80)	69(85)	13% (79)	51% (80)	46(82)	24(84)
URUGUAY	2,936(85)	0.4% (85)	73(85)	535(79)	80% (80)	26(85)	94% (75)	57% (75)	18(82)	17(84)
VENEZUELA	17,317(85)	2.7% (85)	68(85)	987(78)	81% (80)	37(85)	77% (71)	48% (79)	80(82)	20(84)
NCP SUMMARY	176,012 *	2.2% #	67 #	1,119	68% #	42 #	83% #	46% #	51 @	19 @
REGION SUMMARY	392,470 *	2.4% #	65 #	1,545	65% #	56 #	78% #	49% #	139 @	66 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION LATIN AMERICA

		DEB			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS ODA AS A % OF GNP	
	GNP PER CAPITA $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
AID RECIPIENT COUNTRIES								
BELIZE	1,140 (83)				17.9 (83)			
BOLIVIA	510 (83)			35.2 (83)	63.0 (83)	0.9 (83)	0.3 (83)	2.7 (83)
BRAZIL	1,880 (83)			31.9 (83)	0.4 (83)	0.0 (83)	0.0 (83)	0.1 (83)
COSTA RICA	1,020 (83)	31.0 (82)	79.3 (82)	53.2 (84)	218.7 (83)	8.9 (83)	8.2 (83)	10.5 (83)
DOMINICAN REPUBLIC	990 (84)			35.9 (84)	69.7 (83)	0.8 (83)	0.6 (83)	1.4 (83)
ECUADOR	1,420 (83)			36.9 (83)	31.2 (83)	0.3 (83)	0.1 (83)	0.6 (83)
EL SALVADOR	710 (83)	41.2 (83)	212.1 (83)	8.9 (83)	326.9 (83)	8.5 (83)	6.0 (83)	7.7 (83)
GRENADA	840 (83)				0.0 (83)			
GUATEMALA	1,120 (83)	24.0 (82)	176.8 (82)	12.9 (83)	29.7 (83)	0.3 (83)	0.4 (83)	0.9 (83)
HAITI	300 (83)			7.9 (83)	46.9 (83)	2.7 (83)	2.3 (83)	7.7 (83)
HONDURAS	670 (83)			17.4 (83)	154.3 (83)	5.6 (83)	2.3 (83)	7.0 (83)
JAMAICA	1,300 (83)			29.9 (83)	107.0 (83)	3.3 (83)	3.5 (83)	5.9 (83)
PANAMA	2,120 (83)	41.3 (77)	330.3 (77)	28.7 (83)	12.9 (83)	0.3 (83)	0.4 (83)	1.3 (83)
PARAGUAY	1,410 (83)	6.4 (82)	100.5 (82)	26.2 (83)	3.3 (83)	0.1 (83)	0.1 (83)	1.2 (83)
PERU	1,040 (83)			25.0 (83)	98.1 (83)	0.5 (83)	0.5 (83)	1.7 (83)
CP SUMMARY	867	17.9	139.0	19.9	1180.0 *	0.0	0.0	0.6

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: LATIN AMERICA

		DEBT			FOREIGN ASSISTANCE			
		GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
	GNP PER CAPITA, $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
ARGENTINA	2,070 (83)	30.7 (82)	287.6 (82)	29.9 (83)	0.1 (83)	0.0 (83)	0.0 (83)	0.1 (83)
CHILE	1,870 (83)			23.1 (83)	2.8 (83)	0.0 (83)	0.0 (83)	0.2 (83)
COLOMBIA	1,430 (83)			30.5 (83)	4.6 (83)	0.0 (83)	0.0 (83)	0.3 (83)
GUYANA	668 (82)	151.0 (79)	253.7 (79)	28.6 (83)	0.1 (83)			
MEXICO	2,240 (83)	24.3 (79)	355.4 (79)	44.7 (83)	8.3 (83)	0.0 (83)	0.0 (83)	0.1 (83)
NICARAGUA	923 (82)			19.3 (83)	0.0 (83)			
URUGUAY	2,490 (83)	12.0 (81)		25.3 (83)	1.1 (83)	0.0 (83)	0.0 (83)	0.1 (83)
VENEZUELA	3,840 (83)	13.9 (80)	43.2 (80)	17.8 (83)	0.2 (83)	0.0 (83)	0.0 (83)	0.0 (83)
NCP SUMMARY	1,480	21.3	119.8	25.5	17.2 *	0.0	0.0	0.2
REGION SUMMARY	1,013	19.4	129.8	21.7	0.0 *	0.0	0.0	0.3

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: LATIN AMERICA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
BELIZE	3.6 (83)		8.1 (83)			6.5 (80)	1.5 (82)	
BOLIVIA	0.6 (83)	1.5 (83)	35.2 (83)	13.3 (79)	275 (83)		2.1 (79)	184 (83)
BRAZIL	5.0 (83)	4.8 (83)	63.9 (83)	20.1 (80)	6,487 (83)		0.7 (80)	-6,799 (83)
COSTA RICA	2.1 (83)	2.7 (83)	23.2 (83)	26.5 (80)	39 (84)	29.3 (80)	0.6 (80)	-349 (83)
DOMINICAN REPUBLIC	3.9 (83)	4.4 (83)	8.5 (83)	17.8 (80)	-381 (84)	15.9 (80)	1.3 (80)	-442 (82)
ECUADOR	4.6 (83)	5.2 (83)	16.6 (83)	16.7 (82)	957 (83)	28.7 (82)	1.6 (82)	-104 (83)
EL SALVADOR	-0.2 (83)	-0.1 (83)	11.7 (83)	18.6 (83)	-95 (83)	30.9 (83)	2.8 (83)	-65 (83)
GRENADA	0.9 (83)				-40 (83)	4.5 (77)	4.0 (77)	-16 (83)
GUATEMALA	2.1 (83)	3.7 (83)	9.9 (83)	13.9 (80)	34 (83)	31.6 (80)	1.3 (80)	-226 (83)
HAITI	1.1 (83)	3.0 (83)	7.8 (83)	19.9 (81)	-127 (83)			100 (83)
HONDURAS	0.6 (83)	4.0 (83)	8.6 (83)	18.0 (76)	66 (83)	14.1 (76)	2.3 (79)	-225 (83)
JAMAICA	-0.5 (83)	-1.7 (83)	16.0 (83)	45.4 (78)	-296 (84)	31.1 (78)	1.0 (77)	-312 (84)
PANAMA	2.9 (83)	5.3 (83)	7.1 (83)	38.9 (79)	-795 (84)	35.1 (79)		-116 (84)
PARAGUAY	4.5 (83)	8.2 (83)	12.6 (83)	11.0 (80)	-225 (83)	-2.9 (80)	1.3 (80)	-247 (83)
PERU	0.1 (83)	1.8 (83)	52.3 (83)	19.2 (82)	1,008 (84)	6.6 (82)	3.0 (81)	-256 (84)
CP SUMMARY	2.1 @	3.3 @	20.1 @	18.5	5,157 &	19.2 &	1.4	5,388 &

@ = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: LATIN AMERICA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIES								
ARGENTINA	0.5 (83)	0.4 (83)	167.8 (83)	2'1005 (80)	3,710 (83)	0.0 (80)	2.3 (80)	-2,439 (83)
CHILE	-0.1 (83)	2.9 (83)	86.2 (83)	32.9 (81)	293 (84)	-8.3 (81)	3.6 (81)	-2,060 (84)
COLOMBIA	3.1 (83)	3.9 (83)	.	13.8 (80)	330 (84)	7.8 (80)	. .	-1,219 (84)
GUYANA	. .	. .	. .	56.9 (79)	-32 (83)	32.6 (79)	3.5 (78)	-157 (83)
MEXICO	3.2 (83)	5.6 (83)	28.2 (83)	19.4 (80)	14,510 (83)	16.5 (80)	0.4 (80)	5,223 (83)
NICARAGUA	-1.8 (83)	-1.3 (83)	16.5 (83)	30.5 (80)	-350 (83)	22.2 (80)	3.2 (80)	-443 (83)
URUGUAY	2.0 (83)	2.5 (83)	51.0 (83)	25.4 (81)	417 (83)	6.1 (81)	3.3 (81)	-60 (83)
VENEZUELA	1.5 (83)	2.5 (83)	11.7 (83)	27.5 (80)	8,162 (83)	5.1 (80)	1.3 (80)	4,427 (83)
NCP SUMMARY	1.2 @	2.4 @	60.2 @	28.6	8,143 &	8.3 &	1.4	2,038 &
REGION SUMMARY	1.8 @	3.0 @	32.1 @	21.4	6,648 &	10.0 &	1.4	-1,680 &

@ = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

OVERVIEW OF LATIN AMERICA AND THE CARIBBEAN AND REGIONAL ACTIVITIES

LATIN AMERICA AND THE CARIBBEAN

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	243,020	85,860	-	17,525	13,704	24,750	87,500	13,681[1]
Grants	1,278,442	97,454	27,192	58,568	94,118	85,191	897,525	18,394[2]
Total	1,521,462	183,314	27,192	76,093	107,822	109,941	985,025	32,075
1986								
Loans	112,563	48,153	-	4,887	600	14,729	44,194	-
Grants	961,419	108,637	26,111	59,399	82,851	65,603	614,318	4,500
Total	1,073,982	156,790	26,111	64,286	83,451	80,332	658,512	4,500[3]
1987								
Loans	181,237	56,787	-	1,500	8,550	35,900	78,500	-
Grants	1,236,028	121.967	25,400	42,211	92,850	84,100	866,500	3,000
Total	1,417,265	178,754	25,400	43,711	101,400	120,000	945,000	3,000[3]

1/ International Disaster Assistance.

2/ Includes $3 million from Child Survival Fund and $15.394 million of International Disaster Assistance.

3/ Child Survival Fund.

FY 1987
PROGRAM HIGHLIGHTS

- For Latin America and the Caribbean a total of $1.66 billion is proposed for FY 1987: $472 million of Development Assistance, $945 million of Economic Support Funds and $245 million in PL 480 assistance.
- For Central America $1.055 billion is proposed -- $287 million in Development Assistance, $656 million in Economic Support Funds and $112 million in PL 480 assistance.
- For the Caribbean countries $386 million is proposed -- $110 million in Development Assistance, $190 million in Economic Support funds and $86 million in PL 480 assistance.
- For the four South American recipient countries (Peru, Ecuador, Bolivia, and Uruguay) $185 million is proposed -- $52 million in Development Assistance, $87 million in Economic Support funds and $46 million in PL 480 assistance.

LATIN AMERICA AND THE CARIBBEAN

Overview

Key Developments

The Latin American and Caribbean (LAC) region made great strides during 1985 in strengthening democratic processes and institutions. There was also significant progress in achieving economic stabilization and in implementing market-based policy reforms to stimulate private-sector-led economic growth. In addition, the countries of the region, with encouragement and support from A.I.D., took measures to mitigate the effects of the economic crisis on low-income groups and to ensure that the benefits of future economic growth would be broad-based. Both A.I.D. and the governments of some LAC countries took major steps to improve program management so that scarce budget resources could be used more efficiently in support of development objectives.

Despite this progress, many institutions are fragile, guerrilla violence has not ended, and serious economic problems remain. Full recovery will require several more years of sustained effort. External factors will continue to affect conditions in the region, and progress can be expected to be uneven.

Among the external factors inhibiting economic recovery are continued low prices for the LAC region's traditional exports, except for coffee; heavy debt servicing requirements, notwithstanding the recent decline in world interest rates; and the limited availability of new public and private international capital flows.

Substantial shortfalls from proposed levels of assistance during FY 1986 have also limited A.I.D.'s effectiveness in promoting long-term development. In several cases, notably Guatemala and Bolivia, budgetary constraints have diminished A.I.D.'s ability to support efforts by new governments to take major economic reforms. In other cases, required cutbacks in the level of assistance have slowed implementation of stabilization and development programs.

Democratization. Presidential elections were held during 1985 in Bolivia, Peru, Honduras, and Guatemala, and parliamentary elections were held in Dominica. These were bracketed by presidential elections in El Salvador in 1984 and Costa Rica in 1986. There was widespread agreement that the electoral processes were in all cases open and fair. In four of the countries holding elections in 1985, new civilian leadership was elected: different political parties took office in Bolivia and Peru; the new president of Honduras represents a different faction of the party which held office during 1982-86; and a civilian government replaced a military government in Guatemala. There was also progress toward democratization and an improved human rights environment in most other A.I.D.-assisted countries, the exceptions being Panama, where the president was compelled to resign by the military, and Haiti, where the government's policies sparked civil unrest that led to its downfall in early February 1986.

A.I.D. is actively supporting the process of democratization through technical and material assistance in the conduct of fair elections; programs to strengthen the administration of justice; support for labor unions, women's organizations, and other participatory groups; and a major training effort, especially in Central America, which targets students from low- and medium-income groups.

Economic Stabilization and Growth-Promoting Reforms. The economic recovery of the LAC region as a whole, which began in 1984, continued during 1985 as the gross domestic product (GDP) rose by 2.8% despite external debt burdens that remained high even after a drop in interest rates. The performance of the LAC economies was also handicapped by slower economic growth and rising protectionist pressures in the industrialized countries, reduced access by the LAC countries to commercial bank credit, and depressed prices for the region's major exports (at least until the upsurge in coffee prices in late 1985).

Although per capita GDP fell in most LAC countries, many of these declines would have been greater had it not been for successful efforts to encourage export diversification -- notably by Costa Rica, Jamaica, and the Dominican Republic -- and significant amounts of Economic Support Fund (ESF) assistance, especially in Central America where unsettled political and security conditions continue to be a major obstacle to a strong economic recovery.

Several countries took major steps to stabilize their economies by reducing public-sector budget deficits and undertaking major exchange-rate reforms to bring their balance-of-payments positions into equilibrium. The most comprehensive programs were undertaken in Bolivia, which had reached 5-digit inflation, and Argentina, a non-A.I.D.-assisted country with 4-digit inflation. In both countries inflation rates have been drastically reduced, and other aspects of their stabilization programs also show great promise. Belize and the Dominican Republic also implemented stabilization programs in 1985, and Jamaica continued to implement a program initiated earlier. At the end of the year El Salvador was seeking the support of key private-sector interest groups for a comprehensive program which was introduced in January 1986. The governments of Guatemala and Panama attempted to introduce major stabilization programs in 1985 but were politically rebuffed. In Guatemala, however, the climate for reform has improved significantly as a result of the large majority vote received by the new government.

Spreading the Benefits of Growth. The sharp decline in per capita GDP in the early 1980s resulted in rising unemployment and lower living standards for the great majority of the LAC population, generating social unrest which the forces hostile to democratic interests have been eager to exploit. But fiscal pressures have forced governments to seek ways to deliver social services more efficiently in order to maintain and expand coverage, and A.I.D. is supporting these efforts. Preliminary data for

Central America show continued progress in reducing infant mortality rates and increasing access to family planning services. Implementation of the Central American Peace Scholarships (CAPS) program is ahead of schedule. Progress toward primary education goals in Central America is slower, but in early 1986 A.I.D. will seek to determine how it can be accelerated and will modify its programs accordingly. A.I.D. will also examine agricultural development strategies in Central America and their effects on small farmers and other poor rural residents.

The experience of developing countries over the last 25 years has demonstrated that an effective way for governments to promote sustained increases in living standards for low-income families is through policies which encourage small-farmer agricultural production for domestic and external markets and exports of labor-intensive industrial and agro-industrial products. Success in stimulating private investment in these areas not only provides jobs but also generates the revenues needed to expand and improve the quality of programs in health, education, and other social services. Progress along these lines is already evident in a number of countries, including Belize, Costa Rica, the Dominican Republic, Ecuador, and Jamaica. Nontraditional exports, which presently account for relatively small shares of total exports in these countries, will make an increasingly important contribution to the achievement of broad-based economic growth if current trends continue.

Improving Management. A.I.D. is strongly supporting measures to reduce the size of LAC public sector bureaucracies, which absorb too large a portion of GDP, and otherwise improve their management capabilities. It also has taken steps to improve its own program management. These steps include (1) institution of a management-by- objectives system; (2) a clarification of goals and objectives, to which project and program activities will be more closely linked; (3) greater delegation of authority to field missions; (4) a reduction in the complexity of project design; and (5) a reduction in time-consuming administrative reporting requirements. More effort will be devoted in 1986 to improving project cost analysis, including additional steps to analyze and contain costs in the participant training and health programs.

The Struggle for Economic Recovery

For the LAC region as a whole, economic recovery got under way in 1984. The regional GDP that year grew by 3.2%, or 0.8% per capita, thus reversing the 10% decline in per capita GDP over the three previous years. Nevertheless, a majority of LAC countries experienced a further decline in per capita GDP in 1984. For the key sub-region of Central America, the recovery during 1984 was slower than the LAC average, with aggregate GDP (excluding Nicaragua) rising by 1.4% and per capita GDP falling by 1.2%.

During 1985 the estimated GDP growth rate for the LAC region fell slightly to 2.8%, or 0.5% per capita, while for Central America GDP growth appears to have been only about 0.5%, or a decline of 2.1% in per capita terms. Recovery in Central America continues to be held back by unsettled political and security conditions and by the need for additional policy reforms in most countries. In addition, Central America -- as well as the rest of the LAC region -- was affected adversely by the slowdown in the world economy in 1985.

External debt burdens in the LAC region remained heavy during 1985, despite lower interest rates, and prompted growing calls for unconventional forms of debt relief. The slowdown in the growth of the industrial economies kept prices of the region's major commodity exports generally low (though coffee prices rose late in the year) and made it more difficult for the LAC countries to break into new markets with nontraditional export products. Falling petroleum prices provided some relief to oil-importing countries but placed strains on the region's oil exporters. New public and private international capital flows were inadequate, prompting Secretary of the Treasury Baker, at the joint annual meeting of the International Monetary Fund (IMF) and the World Bank in October 1985, to call for substantial increases in both types of flows. Unless such increases materialize, the economic performance of the LAC region in 1986 is not likely to be much better than it was in 1985, except to the extent made possible by higher coffee prices. The continued decline in petroleum prices in early 1986 will have a mixed effect, with importing countries benefiting but exporting countries facing significant declines in foreign exchange earnings.

Social and Political Concerns

The economic crisis continued to cause serious social and political strains, as tolerance for austerity measures wore thin. Bolivia's previous government, paralyzed as the economy unraveled, moved elections up by a full year, thus probably avoiding a widely predicted coup. A similar policy paralysis afflicted the outgoing government of Guatemala. Panama's president resigned under pressure partly because of strong opposition to a stabilization and recovery program he was unable to implement. The failure of previous governments in these countries to implement sound economic programs has only aggravated the underlying structural problems that need to be resolved. This has complicated the task of the new Bolivian administration, which has moved quickly to implement a bold economic program, and that of the new Guatemalan government, which also seems prepared to take decisive action. A different response to the economic crisis was made by the new government of Peru, which announced that it would limit its debt servicing to no more than 10% of its export earnings so that the remainder of its foreign exchange may be applied to imports needed to help reverse the decline in living standards. It remains to be seen whether its other economic policies, still not fully defined, can accomplish this goal. In Jamaica, the continued deterioration of the world bauxite market swamped the positive effects of the government's stabilization program, and the collapse of Jamaica's incipient recovery contributed to civil disturbances early in 1985.

The countries discussed above, though different in many respects, share two common characteristics: growing public impatience with declining living standards and the political difficulties faced by their governments in responding to economic problems by implementing sound corrective economic measures to lay the groundwork for economic recovery. It is in the U.S. interest that we help the LAC countries find creative, viable solutions to their problems so that hostile forces will not exploit them in ways that are harmful to our security. Increased U.S. assistance in these and other countries with similar problems can help make the necessary economic adjustments less painful, and Costa Rica has demonstrated that an economic turnaround can occur relatively quickly with sound policies in place. But for our assistance to have a major, lasting impact the LAC countries themselves must play the leading role by implementing appropriate policy reforms, particularly to encourage private-sector activity. We continue to see progress along these lines, but the pace of reform in most countries needs to be accelerated so that rapid and sustained economic recovery can proceed before the stress on elected governments threatens their continued survival.

A year ago we identified a number of key socioeconomic development problems that needed to be addressed in order to achieve a strong, broad-based recovery. Financial disequilibrium, the major short-term problem, has so far been addressed satisfactorily in only a small number of LAC countries. The other problems -- including unemployment and underemployment, external debt burdens, structural barriers to export diversification, and rapid population growth -- are long-term in nature. Progress toward solving them will depend not only on a favorable international economic environment and policy reforms in the LAC countries themselves, but also on the amount of public and private capital flowing into the LAC region. A.I.D.'s focus on spreading the benefits of growth will ensure that corrective measures have maximum social impact.

U.S. Interests

The United States has major economic interests in the LAC region, and the region's geographic proximity makes it of key importance to our security. Economically, the LAC countries constitute a major market for our exports. In 1981 they bought $42.2 billion of our products, or 18% of our total exports. But the foreign exchange problems associated with the economic crisis limited LAC purchases of U.S. goods to $25.7 billion in 1983, costing the United States about 400,000 jobs. Although U.S. exports to the region rose to $29.7 billion in 1984, and may have reached about $32 billion in 1985, this is still substantially below the 1981 peak, particularly after adjusting for inflation. The United States also has significant investments in the LAC region, amounting in 1984 to $28.1 billion, or 52% of all U.S. direct investment in developing countries. The economic crisis in the region has lowered returns on this investment. It has also seriously threatened the financial position of many U.S. banks with loans to LAC countries which have been unable to keep current on debt servicing. Another major impact of the region's economic difficulties has been an increase in illegal migration to the United States.

Our foremost strategic objective in the LAC region is the presence of stable, friendly, democratic governments which provide a climate in which our major security interests can be protected. These include access to petroleum, to other industrial raw materials, and to the unimpeded use of the sea lanes adjacent to North America and the Panama Canal. The region is also important to our efforts to limit the spread of nuclear weapons, the flow of illegal drugs into the United States, and the operations of international terrorist groups, and to prevent the seizure of power by hostile forces.

The region is a major focus of our concern for improving respect for human rights and strengthening democratic institutions. The creation of eight newly independent nations in the Caribbean Basin since 1974 has heightened that concern, and has made it more important that we be able to collaborate with the countries of the region on issues arising in hemispheric organizations and international fora. We have also played an active role in encouraging and supporting the adoption of civilian, democratically elected governments in the region. The prolonged economic crisis in the LAC countries is a potential threat to the expansion and consolidation of democratic processes in a number of countries. Our economic assistance program seeks to help prevent this from happening by stimulating a private-sector-led economic recovery whose benefits will extend to the entire population, thus weakening the appeal of radical, undemocratic elements, including the guerrilla groups now seeking to destabilize the governments of a number of LAC countries.

A.I.D.'s Strategy and Goals

A.I.D.'s strategy for addressing the LAC region's development problems focuses on four broad areas: (1) short-term economic stabilization, (2) basic structural reforms leading to rapid and sustained economic growth, (3) a wider sharing of the benefits of growth, and (4) the strengthening of democratic institutions and respect for human rights. As a growth-with-equity strategy, it is largely targeted on the needs of less advantaged populations, particularly by emphasizing productive employment opportunities as well as greater access to health care, education, and social services. The strategy stresses the role of the private sector as the main engine of development, but it also seeks to improve the supporting role of the public sector by encouraging policy reforms which increase economic and political freedoms and management improvements which reduce the costs of public services. To improve the efficiency of our own activities and contribute to the necessary reduction in the U.S. budget deficit, A.I.D. will be subjecting future projects to more intensive review and will be scaling back expenditures in some areas.

Implementing The A.I.D. Strategy

1. Stabilization. Economic stabilization -- reducing fiscal and balance-of-payments deficits and bringing inflationary pressures under control -- is an essential requirement for private-investment-led growth. A.I.D. has encouraged and underwritten stabilization efforts through programs supported by Economic Support Fund (ESF) resources, which help cushion declines in economic activity while countries take steps to lay the groundwork for economic recovery.

A key objective is that the LAC countries be able to manage their external sectors on a current basis by eliminating arrearages and the need for further debt reschedulings and by restoring government fiscal equilibrium. Countries which have made good progress toward meeting this objective include Belize, Costa Rica, the Dominican Republic, and Ecuador. Elsewhere the record has been mixed during the last year, with some countries making slow progress while others have allowed their fiscal and balance-of-payments deficits to become worse, thus making stabilization all the more difficult to achieve. The new Bolivian government, despite having implemented a bold and very promising stabilization program, is not likely to be able to complete the stabilization process in 1986, given the extent of the economic deterioration that occurred under its predecessor. A few other countries may also need more than another year. In most LAC countries, however, completion of the stabilization process during 1986 is a feasible goal provided that the necessary policy reforms are undertaken. Significant amounts of stabilization assistance will be necessary to prevent a further general decline in living standards.

2. Long-Term Growth. Structural reforms are needed in most LAC countries to achieve rapid and sustained economic growth within an international environment that differs sharply from that of the 1960s and 1970s. Achievement of rapid and sustained growth will depend largely on the success of countries in reorienting their development strategies away from import substitution and toward exports to nonregional markets. A strategy with such an outward orientation will result not only in faster economic growth but also in more job creation and a more equitable pattern of growth by encouraging labor-intensive patterns of development.

Progress toward export diversification was strong during 1984. The countries benefiting from the Caribbean Basin Initiative (CBI), for example, increased their exports of manufactured goods to the United States by 29%. Growth during 1985 was considerably slower, due in large part to the slowdown of the U.S. economy, but the CBI countries still performed better than the rest of Latin America. Moreover, countries which had made good progress in implementing structural reforms -- including Belize, Costa Rica, the Dominican Republic, and Jamaica -- continued to show strong growth in exports to the U.S. market in 1985.

An ongoing LAC Bureau review of A.I.D.'s role in supporting the CBI is finding that the Initiative has increased nontraditional exports from the region and investment in targeted growth areas. A.I.D. has authorized more than 90 projects and some $700 million in support of the CBI during the FY 1982-85 period. Although it is difficult to determine precise linkages between the CBI and new exports and investments, preliminary data suggest that more than 260 new export-oriented investments have been stimulated in the Basin, with 210 of these creating more than 30,000 new jobs. One result of this review is that A.I.D. will further strengthen its collaborative relationship with other Federal agencies in pursuit of CBI objectives.

The main elements of our strategy for achieving export-led growth and the associated increases in income and employment are:

-- continuing our dialogue with cooperating countries on needed policy reforms and using our assistance to encourage and support appropriate structural adjustment;

-- supporting the greater commercialization of agriculture, the sector employing the greatest number of people, particularly by improving access by small farmers to land, credit, and other key production inputs;

-- increasing the availability of credit for production in agriculture and industry, particularly small industry, and for exporting;

-- providing technical assistance and training for small business operators;

-- assisting investment and export promotion and strengthening private-sector organizations;

-- assisting in the development of free zones, industrial parks, and other mechanisms which simplify infrastructure and administrative problems facing private enterpreneurs; and

-- financing infrastructure construction and improvements, especially for stimulating small-farmer production.

3. Spreading the Benefits of Growth. An export-oriented growth strategy can promote more equitable development through job creation and the generation of revenues needed to extend the coverage of social services. Nevertheless, targeted programs also are needed to ensure that the benefits of growth will be widespread. Such programs include the use of cost-recovery measures in the provision of public services and incentives for greater private sector activities in such fields as health and family planning services. More efficient operation of public services can also help spread their coverage, a factor which is particularly important in meeting tight budgets. Opportunities for small farmers and other poor rural families can be increased through greater access to land, credit, and other productive resources and the elimination of price controls and other disincentives to production.

A.I.D. will continue to promote a more equitable pattern of development by supporting programs to:

-- provide access to primary education for at least 90% of all school-age children, male and female, in those A.I.D.-assisted countries where this has not been achieved (Haiti, Bolivia, El Salvador, and Guatemala);

-- expand access to family planning information, particularly through private institutions, to help bring about a reduction of the regional population growth rate from the 1982 level of 2.3% to 1.9% by 1988;

-- improve the access of poor rural families to land through support for settlement programs, legal reforms to provide secure land titles, and financing for land purchases;

-- increase the availability of credit and technical assistance to small business operators;

-- provide better housing for low- and moderate-income families through technical assistance, ongoing Housing Guaranty loans and other activities; and

-- assist refugees and displaced persons through provision of health services, educational opportunities, and productive employment.

4. Democratic Institutions and Human Rights. Economic growth will best benefit the citizens of Latin America and the Caribbean and support U.S. interests in the region if it occurs in an environment in which governments permit their people to participate freely in local and national political processes; to form labor unions, cooperatives, and other voluntary organizations; and to have recourse to a judicial system that will administer justice fairly and speedily. Although the U.S. Government cannot dictate to other governments how they should structure their political institutions and processes, we can provide our moral and financial support to those countries upholding democratic institutions and respecting human rights. A key element in U.S. economic assistance decisions in each LAC country will be the degree of commitment of that country to free elections, independence of the judiciary, and respect for individual rights. We are encouraged by the progress along these lines made in the LAC region over the last few years.

A.I.D. will continue seeking to strengthen the administration of justice through technical assistance, training, and material support for court systems, criminal investigative agencies, public prosecutors and defenders, justice ministries, law schools, and bar associations. A.I.D. will also continue providing assistance to improve the administration of elections. In addition, A.I.D. activities with a large number of private and voluntary agencies will support the development of democratic institutions and processes by providing assistance to labor unions, cooperatives, women's organizations, and other participatory groups.

The process of democratization in the LAC region is being further supported by a major new training initiative, the Caribbean and Latin American Scholarship Program (CLASP), which will provide scholarships for study in the United States and in the region itself to approximately 7,830 individuals. CLASP consists of three separate projects, one for Central America, one for the Caribbean and South America, and a new Caribbean Training Initiative. By far the largest is the Central American Peace Scholarships project (CAPS) under which approximately 7,063 Peace Scholars will be trained between FY 1985 and FY 1989 in response to the recommendation of the National Bipartisan Commission on Central America (NBCCA) that more Central Americans be provided training opportunities in the United States. An additional 3,000 or so participants will be funded under United States Information Agency (USIA) programs, bringing the total to more than 10,000. Training will focus on priority economic, social, and political development needs, and will target disadvantaged groups who previously have lacked access to such training. First-year implementation of the CAPS project was very successful, with the project exceeding by 350 its target of 1,200 students trained during FY 1985. The new Caribbean project is designed to triple the annual number of A.I.D.-supported scholarships in the Caribbean to approximately 1,500 by FY 1988.

FY 1987 Highlights

A program level of $1.66 billion in Development Assistance, Economic Support Funds, and P.L. 480 resources is proposed for FY 1987 in support of our strategy for achieving economic, social, and political progress in Latin America and the Caribbean. Of this total, $1,054.8 million (63.4%)

is for programs in Central America, $386.4 million (23.2%) for the Caribbean, $185.4 million (11.2%) for South America, and $36.1 million (2.2%) for LAC Regional programs. The distribution of these resources among functional categories of assistance, and examples of new initiatives for FY 1987, are presented below.

To support our goals of economic stabilization and structural transformation to encourage faster economic growth, ESF resources of $945.0 million are proposed, primarily as balance-of-payments assistance to help LAC countries maintain the import levels they need to accelerate their economic recovery. With prices for the region's primary exports still generally low except for coffee, and other public and private capital flows still at disappointingly low levels, ESF assistance at the levels we are proposing is essential for achieving minimum acceptable progress toward higher levels of economic growth. ESF assistance is being requested for all countries and regional programs. Local currency associated with these programs will continue to support the productive credit requirements of private enterprises; finance key public services and infrastructure projects; and support the efforts of PVOs, cooperatives, and similar groups to meet basic needs.

In the Development Assistance (DA) category, for which a total of $472.3 million is proposed, agriculture, rural development, and nutrition programs account for $178.8 million, or 37.9% of the total. Our strategy in this sector is based on the twin goals of increasing production and generating the income needed by poor rural families to meet their basic requirements for food and other needs. New activities in FY 1987 include a land titling project in Panama; support for the financing of land purchases by small farmers in El Salvador and Guatemala; a rural electrification project in Honduras; a project to develop commercial farming systems in the Dominican Republic; a hillside farming outreach project in Haiti; a regional fragile lands management project for Central America; and a marketing and agribusiness project for Bolivia's Chapare region.

The population planning portfolio ($25.4 million, or 5.4% of the DA program) emphasizes the use of private sector mechanisms. A new program to privatize family planning services is planned for the Caribbean Region.

A.I.D.'s health programs ($46.7 million, or 9.9% of the DA program, including $3.0 million for child survival programs), emphasize improved efficiency of delivery systems for public health services and the development of private-sector delivery mechanisms. New activities include a targeted community health outreach project in Haiti and child survival/oral rehydration therapy projects in Guatemala and Peru.

Our activities in education and human resource development ($101.4 million, or 21.5% of the DA program) include support for training under the CAPS program for Central America, the new Caribbean Training Initiative, and other programs. Primary education has priority in countries where literacy rates are still low, and the FY 1987 program includes a primary education management improvement project in Guatemala. Other new projects include a vocational/technical education project in El Salvador and a regional management institute for the Caribbean Region.

The selected development activities portfolio ($120.0 million, or 25.4% of the DA program) emphasizes a variety of private-sector initiatives and supports other important development activities. New projects include support for a venture capital company in El Salvador; small business assistance programs in El Salvador and Guatemala; a capital markets development project in Ecuador; a light industry development project in the Dominican Republic; and a program to strengthen local government in El Salvador.

Other U.S. resources which provide support for our objectives in the LAC region will be made available under the P.L. 480 program, which will provide much-needed foreign exchange to help the balance of payments. Local currency generations from the sale of P.L. 480-financed foodstuffs are integrated with our overall DA activities and are used as tools in our policy dialogue on macroeconomic and sectoral policies. The FY 1987 request for P.L. 480 resources is $245.4 million, of which $204.0 million is for Title I/III and $41.4 million is for Title II.

Special Concerns

1. Women in Development (WID). An essential element of A.I.D.'s program in the LAC region is that program and project designs consider women as potential beneficiaries and/or participants. A WID Action Plan was developed during FY 1985, and various actions identified in that plan have been completed: a study of past LAC Bureau activities related to WID, two centrally funded project evaluations, and a review of all project development documents to ensure that WID concerns were addressed. We are currently developing guidelines for project/program designers which will explicitly indicate the roles and responsibilities of A.I.D. management and operational staff concerning WID.

2. Evaluation. A.I.D. field missions in the LAC region prepared 55 evaluations during FY 1985, and seven regionally funded evaluations were completed. Missions have projected completing 109 evaluations in FY 1986 and 89 in FY 1987. Five regional evaluations are planned for each of these fiscal years.

Mission project evaluations during FY 1986 and FY 1987 will cover various sectors. For example, Guatemala, Honduras, and Panama will evaluate their agriculture portfolios; El Salvador and Haiti, health programs; the Central America Regional Program and the Dominican Republic, energy activities; and several missions, population projects. In addition, various missions will be evaluating their private sector programs, with major efforts being carried out in Costa Rica and in the Eastern Caribbean. Significant evaluations will be carried out in Bolivia, Peru, and Ecuador for P.L. 480 activities; in Peru and Bolivia for disaster programs; in several countries, including Belize and Ecuador, for housing projects; and in virtually all countries for training programs. Over the next two years A.I.D. will be evaluating about 40% of its portfolio of LAC projects.

While project evaluations will remain an important emphasis of A.I.D.'s assessment process in the LAC region, several broader, program-type assessments will also be undertaken. These will be issue-oriented and related to A.I.D.'s overall strategy and the goals and objectives specified in field mission action plans. Topics for evaluation tentatively include private-sector interventions (e.g., micro-enterprise programs, private-sector initiatives in traditionally public-sector activities, in-depth study of a selected mission's entire private-sector program to determine effectiveness and impact); Economic Support Fund programs, including policy dialogue and uses of local currency; integration and effectiveness of private and voluntary organization (PVO) programs; and participant training efforts to measure development impact and to determine which training approaches have worked well.

3. Private and Voluntary Organizations. PVOs, both local and U.S., have increased the flow of resources to low-income people over the past few years throughout the region. They have served to complement bilateral development assistance by providing a mechanism to meet individual-country needs through increased private-sector involvement. PVOs will continue to seek greater use of the private sector's talents and resources in the region's economic revitalization and expansion of economic opportunity.

A.I.D. continues to give priority to those PVO projects which emphasize small-scale employment generation, vocational training to unemployed youth and women, innovative credit schemes, technical services to small farmers, and the extension of health and educational services in rural and urban areas. In supporting these types of PVO efforts, we are attempting to mobilize private-sector resources and to broaden community participation in authentic self-help development projects.

In addition, A.I.D. will continue to assist individual LAC missions to improve and expand their working relationships with PVOs. This assistance helps missions assess PVO capabilities, improve PVO program design, wholesale PVO assistance through PVO associations, strengthen PVO management and operations, and evaluate PVO programs.

4. Deobligations in FY 1985. The following funds were deobligated in the LAC region during FY 1985, and are available for reobligation in the country in which they were deobligated or in the Andean countries.

Country	Amount	Account	Grant/Loan
Bolivia	$110,000	HE	Grant
	102,000	ARDN	Grant
Caribbean Regional	$2,750,000	ARDN	Loan
Ecuador	$100,000	SDA	Grant
	250,000	SDA	Loan
	2,400,000	ARDN	Loan

Guyana	$403,000	ARDN	Loan
Jamaica	$5,000,000	SDA	Loan
	4,560,000	ARDN	Loan
	200,000	ARDN	Grant
Nicaragua	$106,501	ESF	Grant
	4,035	ARDN	Grant
	68,075	EHR	Grant
Panama	$1,065,000	ARDN	Loan
	1,600,000	EHR	Loan
	400,000	SDA	Grant
	370,000	SDA	Loan
Central American Regional	$150,000	SDA	Grant
Total LAC	$19,639,465		

5. Improving Management. Fiscal constraints make it all the more important that development projects and programs be managed more efficiently, not only by developing countries but also by A.I.D. Accordingly, we have taken a number of steps to improve our management and thus to increase the impact of A.I.D. projects and programs. These steps include:

-- establishing a management-by-objectives system to implement the management strategy outlined by the Administrator in his 1985 State of the Agency address and to respond to the concepts embodied in section 621A of the Foreign Assistance Act;

-- clarifying goals and objectives to better respond to the Agency's legislative mandate, the administration's policies and priorities, and country strategic considerations, and to better link program and project activities to these goals and objectives;

-- delegating greater project approval authority to the field so that field managers can be more responsible and accountable for program and project design and implementation;

-- reducing the complexity of project design to lower costs and to avoid overtaxing the technical and managerial resources of overseas missions and the governments with which they work;

-- reducing the time-consuming reporting requirements for A.I.D. missions, thus freeing them to devote greater attention to program and project monitoring and accountability; and

-- strengthening project cost analysis, including the adoption of additional measures to analyze and contain costs in the participant training and health programs.

OVERVIEW OF CENTRAL AMERICAN ACTIVITIES

CENTRAL AMERICA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	124,140	54,740	-	15,025	11,700	20,175	22,500	-
Grants	949,957	44,316	13,089	36,249	52,768	51,521	744,493	7,521
Total	1,074,097	99,056	13,089	51,274	64,468	71,696	766,993	7,521 1/
1986								
Loans	72,168	34,813	-	2,387	600	8,529	25,839	-
Grants	636,935	65,786	12,927	42,573	44,325	29,504	440,220	1,600
Total	709,103	100,599	12,927	44,960	44,925	38,033	466,059	1,600 2/
1987								
Loans	128,237	40,087	-	-	8,550	23,600	56,000	-
Grants	814,388	68,629	14,635	21,820	57,419	50,177	600,000	1,708
Total	942,625	108,716	14,635	21,820	65,969	73,777	656,000	1,708 2/

1/ Disaster Assistance
2/ Child Survival Fund

FY 1987
PROGRAM HIGHLIGHTS

-Continued implementation of the recommendations of the National Bipartisan Commission on Central America. Emphasis on four priorities: economic stabilization, creation of a basis for long-term growth, promotion of equity, and strengthened democratic institutions.
-In FY 1987, the request consists of: $656 million of ESF, $287 million of DA, and $112.1 million in P.L. 480 commodities.
-Substantial ESF balance-of-payments support is assisting most Central American countries to stabilize their economies and restructure economic policies to stimulate the private sector.
-Various new initiatives are encouraging an export-led growth strategy stressing nontraditional agriculure and agribusiness.
-The Central America Peace Scholarship program will train 7000 low-income persons with leadership potential.

CENTRAL AMERICA

The Central American Initiative

In February 1984, the President proposed to the Congress a five-year, $8.4 billion program of assistance to Central America to address the region's fundamental economic, social, and political problems. The President's Central American Initiative (CAI) is a wide-ranging program, encompassing more than 40 recommendations of the National Bipartisan Commission on Central America (NBCCA). It establishes an ambitious set of specific goals to be achieved by 1989, and outlines a comprehensive strategy for achieving economic recovery and a basis for self-sustaining growth by that time. Funding for the first installment of the program was appropriated by the Congress in August 1984, and implementation of the program has been under way for the past 18 months.

The Overall Strategy

A.I.D.'s strategy for Central America emphasizes progress in four areas: near-term economic stabilization; structural economic transformation aimed at self-sustaining growth over the medium term; achievement of broad distribution of the benefits of growth; and institutionalization of democratic processes. The data available for assessing progress in implementing the CAI are very limited at this early point. In most cases, data for 1985 -- the first full year of the program -- are estimates based on partial information. More complete data, which will become available later in 1986, could alter the trends thus far identified. Nevertheless, it is clear that progress has been made against major goals, though not in all cases to the extent originally projected.

Economic Stabilization: When the CAI began, economic stabilization was expected by the end of 1986 -- meaning that exchange rates would be appropriate, external arrears would be eliminated, and government budgets would be under control.

Progress has been made toward this goal throughout the region. In two countries -- Costa Rica and Belize -- economic stabilization has been achieved or can reasonably be expected by the end of 1986. In the other countries, achievement within this time frame will depend upon future developments. Panama's current stabilization effort is weakening, and a major effort will be needed if it is to succeed. In El Salvador, the government introduced a major stabilization program in January 1986. In Guatemala and Honduras, early decisions by governments that took office in January 1986 will determine the prospects for achieving stabilization.

To the extent that progress toward stabilization in some countries has been slower than hoped for, this has been due not only to deficiencies in economic policies and their implementation but also to internal and external events largely beyond the control of economic policymakers:

-- An adverse political/military climate still exists. The NBCCA projected that the major problems -- insurgency in El Salvador and Nicaragua, and destabilizing political conflict between Nicaragua and its neighbors -- would largely be resolved within 18 months of the report (i.e., by sometime in 1985). The slower-than-expected progress in this area is probably the single most important factor in determining when and to what extent economic stabilization and recovery goals can be met.

-- Anticipated capital inflows have not materialized. The NBCCA report projected total inflows of capital during the 1985-89 period of $24 billion, including the $8.4 billion provided by the U.S. Government. Actual inflows have been at a much lower rate. Neither a significant repatriation of capital sent abroad earlier, nor an upsurge in private investment and in World Bank lending, has yet occurred.

-- External economic trends have been worse than anticipated. When the CAI was begun, we anticipated that prices of the major export commodities would recover only slowly from the very low levels existing during the 1980-83 period, in line with World Bank projections. In fact, prices have been even less favorable. The upsurge in coffee prices over the past four months is an isolated but welcome reversal of this trend, but this is likely to be only a temporary phenomenon. Another adverse external development has been rising protectionism in some industrial countries.

To address stabilization problems, A.I.D. will continue to place a great deal of emphasis on policy dialogue to encourage governments to adopt economic policy reforms. While policy reforms have often come slower than we would like to see, we believe that they have contributed to the initial progress that has been made in meeting stabilization objectives. A.I.D. will also be stressing the importance of cost reductions and cost recovery measures so that fiscal objectives can be met without sacrificing the quantity or quality of priority public services.

Structural Transformation: The CAI strategy calls for policy reforms to reorient the Central American economies from import substitution to export development and to stimulate private initiative to carry out this transformation. These changes were projected to lead by 1989 to 6% GDP growth, 4% agricultural-sector growth, creation of 250,000 jobs per year, and an increase in nontraditional exports to at least $1 billion per year.

All countries in the region have given increased attention to export promotion and to improving the climate for private investment, especially to take advantage of the opportunities offered by the Caribbean Basin Initiative (CBI). This is beginning to yield significant positive results in Costa Rica and Belize, but not yet in the other countries. Throughout the region, governments have been working to halt the growth of the public sector, and several are acting to return public enterprises to the private sector.

Overall, progress has been slower than anticipated, largely because of the same factors that have affected stabilization efforts, notably the continued absence of peace in the region and the poorer-than-expected external environment. A third factor, however, is the limited commitment of several governments to a more outward-oriented growth path and to policy reforms.

especially in pricing and marketing, needed to stimulate agricultural production for the domestic market.

Even under the best of circumstances, structural transformation is a long-term process requiring not only policy changes and a reallocation of private investment funds, but also significant improvements in human resources, the application of new technologies, and the provision of additional infrastructure. Since the process cannot be completed in five years or so, our goal for the CAI period is rather that a firm foundation for structural transformation be laid through the initiation of significant policy and program changes in all major areas.

As in the case of stabilization problems, we are addressing structural transformation through a vigorous policy dialogue effort which includes technical assistance, training, and policy studies that will give policymakers a stronger basis for making sound policy and investment decisions.

In line with the recommendations of the NBCCA, A.I.D. has been seeking to address structural transformation issues through regional as well as bilateral programs. A new $50 million A.I.D. program is supporting the efforts of the Central American Bank for Economic Integration (CABEI) to finance infrastructure that will contribute to increased production and exports, to make available more credit to the private sector, and to strengthen the Bank's own financial management. In conjunction with the A.I.D. program, CABEI has initiated management reforms, received from its member countries approximately $70 million in arrearages and new paid-in capital, and begun discussions on debt rescheduling with private banks.

The NBCCA also recommended that the United States provide emergency credit to the Central American Common Market Fund (CACMF) to refinance a portion of the accumulated intraregional trade deficits which were believed to have caused the contraction in trade within the CACM. On the basis of a consultant's report, however, A.I.D. concluded that the deficits arose primarily from misaligned exchange rates, and that the contraction in intra-CACM trade was due mainly to the overall economic decline in the region. While providing the financing to help clear the intraregional deficits would have an initial salutary effect, in the absence of exchange-rate adjustments it would only lead to a recurrence of large deficits and payments arrearages. Accordingly, an emergency credit was determined to be an inappropriate response. The CACM countries, on their own initiative, have responded to the need for trade policy reforms by taking action to restructure their common external tariff to lower protection of domestic industries and to stimulate extraregional trade.

Spreading the Benefits of Growth: Economic growth will not result in political or social stability unless its benefits are spread widely among the citizenry. Goals established to address this need include reduction in infant mortality from 65 per thousand to 55, scholarship training in the United States and in the region for 10,000 students, increased primary school enrollment from 85% to 95% of the school-aged population, and a 25% increase in construction of low-income housing and in coverage of water and sewerage services.

In the areas of infant mortality and access to family planning services, progress appears to be more rapid than anticipated at the outset. Under the Central American Peace Scholarships project (CAPS), first year implementation was very successful with the number of students sent for training exceeding by 350 the target of 1,200 students to be trained during FY 1985.

Current projections indicate a shortfall in primary education, with the enrollment ratio reaching 90%, rather than 95%, by 1989. Up-to-date information is not yet available on low-income housing and water and sewerage, although it was anticipated that most progress in those areas would occur in the latter years of the CAI.

A.I.D. is sending a team to Central America in March to assess the feasibility of stimulating faster progress toward achieving primary education goals. A.I.D. will also continue to seek improvements in management, administrative procedures and cost efficiencies in providing health, education, and other social services.

Other A.I.D. activities directed at spreading the benefits of growth include programs to expand the availability of credit and technical assistance to small business operators, and to improve the access of poor rural households to land and other productive inputs.

Democratization: The goal in this area is the establishment of broad-based participatory democracies in each of the countries of the region, including free elections and respect for individual human rights. Since Costa Rica and Belize already share these characteristics, activities related to this goal are concentrated in the remaining countries.

Significant progress has been made in this area. Democratic elections widely regarded as fair have taken place in El Salvador, Honduras, Belize, Guatemala, and Costa Rica since the CAI was launched. Progress in recognition of individual rights and respect for civil liberties is also evident in El Salvador and Guatemala. In Panama, events have been troubling, with considerable evidence of military intervention in the electoral process and in a subsequent transition of power to the Vice President.

While progress toward democracy has been more rapid than anticipated at the outset of the CAI, it is tenuous. Nicaragua continues to pose a threat to democratization, as does slow progress on the economic front. A.I.D.'s efforts in this area will be addressing a number of major problems: weak and dependent judicial branches of government; electoral tribunals which lack the expertise and resources necessary to carry out honest elections; legislatures which lack experience, staff, and public confidence; poorly trained criminal investigators and prosecutors; human rights abuses; and a populace largely unaccustomed to civic participation in a working democracy.

To promote democracy and development in the region, the CAI advocated the creation of the Central American Development Organization (CADO) recommended by the NBCCA. The Congress has authorized the Executive Branch to proceed with negotiations for establishing CADO, which would make recommendations concerning Central American countries' economic, social, and political development objectives; the mobilization of domestic and external resources; and reforms of economic policies and structures. A Department of State and A.I.D. team visited the region to explain the language on CADO in the International Security and Cooperation Act. Reactions in Central America were cautious, perhaps in part because three of the governments were due to change through upcoming elections. In the meantime, A.I.D. and the Department of State have sought the views of U.S. business and labor on CADO. Our ambassadors will discuss a general approach for CADO with Central American heads of state and request designation of a representative from each country to meet with U.S. representatives on the organization of CADO.

An Overall Assessment

A.I.D.'s overall assessment of the status of the CAI through the end of calendar year 1985 has led us to the following conclusions:

1. The CAI strategy continues to be appropriate. Barring serious external economic problems or increased violence, the program can achieve its goals, though perhaps over a longer period than originally anticipated. The four elements of the strategy are addressing the fundamental economic, social and political problems of the region.

2. Substantial progress is taking place. The economic slide of the region has been halted and capital flight is no longer a major concern. All governments have taken substantial positive steps to reduce public-sector deficits, stimulate the private sector, encourage foreign investment, and promote nontraditional exports. Economic progress is most notable in Costa Rica. In the social sectors, trends are more encouraging than expected. Despite the economic trauma of the region, basic health and education indicators suggest that progress is being made in reducing infant mortality, spreading basic education, and providing access to family planning information. The apparent progress in establishing democratic institutions is most encouraging of all. Here progress is clearly more rapid than anticipated -- although the tenuous strength of these institutions requires that optimism on their continuation be guarded.

3. Assumptions were too optimistic. Overall, progress on the economic elements of the program is somewhat slower than anticipated, primarily due to external factors:

-- Military conflict continues. The program assumed that peace would be achieved within the region by sometime in 1985. This has not occurred, adversely affecting the climate for both private investment and government attention to development. Financial inflows to the region from non-A.I.D. sources, public and private, have also been reduced by the continued conflict.

-- World economic trends have been disappointing. The program assumed modest recovery of prices of traditional export commodities. Instead, these prices have declined over the past two years, reducing incomes and foreign exchange resources, although there was a strong but probably temporary upsurge in coffee prices in the last few months. The slow expansion of world trade, due to slow economic growth by the industrial countries, has also reduced potential market growth for other export products, as has rising protectionism in some countries. The burden of external debt has been heavier than anticipated because of the combination of high real interest rates, continued pulling back by commercial banks, and low commodity prices.

4. More time will be needed to achieve some goals. Continued large-scale assistance will probably be needed for several years beyond 1989 before self-sustaining growth in the 6% range can be achieved. Export earnings from nontraditional products are not likely to provide adequate financial resources by that time, and the process of consolidation of broad-based growth may not be complete. The continued military conflicts in the region are a key issue, but slowness of some governments to undertake long-term economic development programs is also a major factor. Finally, shortfalls from the NBCCA recommendations in A.I.D. assistance, which were particularly sharp for FY 1986, have slowed the recovery of economic activity in the region and have limited A.I.D.'s ability to support needed economic policy reforms and promote economic transformation. Cumulative ESF totals through FY 1986 under the CAI will be 30% lower than the amounts recommended by the NBCCA, and the DA total will fall short by 14%.

FY 1987 Program

A.I.D. is requesting $942.6 million in economic assistance for Central America in FY 1987, including $286.6 in the DA accounts and $656.0 million in ESF resources. A.I.D. has bilateral assistance programs in six countries in the region -- Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Panama -- and a regional program administered from Guatemala. The ESF program concentrates on encouraging growth-promoting policy reforms, while the DA program addresses a number of priority development concerns. These resources are complemented by $96.0 million in P.L. 480 Title I/III resources. The requested funding levels for FY 1987 are designed to prevent further shortfalls from the levels recommended by the NBCCA, which if continued could jeopardize the success of the CAI.

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BELIZE

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (505) BELIZE

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)         165

PER CAPITA GNP.......... (DOLLARS,1983)       1,140

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.6%

ANNUAL RATE OF INFLATION (1973-83)  8.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(   .)    . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 66.1  MALE 64.1  FEMALE 68.0
                     (1970)   TOTAL 59.9  MALE 58.2  FEMALE 61.8

ADULT LITERACY RATE  (1970)   TOTAL   91%  MALE   91%  FEMALE   91%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (   .-   .)    . %

AGRICULTURAL PRODUCTION AS % OF GDP............(1983)    24%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       150


MAJOR CROP(S)                                   ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,ROOTS AND TUBERS ,CORN          30%   (1984)
  CASH: SUGARCANE ,CITRUS FRUIT ,RICE                60%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,ORANGES ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,DAIRY PRODS. ,ANIMAL PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    37%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1980)         43 (81)         48 (82)        51
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1978)         33 (79)         38 (80)        46
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1978)         -1 (79)         -3 (80)        -3
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978)  2.7% (79)  3.2% (80)  4.0%
  AS % OF GNP................. (1980)  1.1% (81)  0.9% (82)  1.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)    10 (83)     9 (84)     6
  EQUIVALENT TO   .  MONTHS OF IMPORTS (    .)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)SUGAR          ,GARMENTS       ,FISH

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   35  (1983)   26  (1984)   43
   AS % OF TOTAL EXPORTS (   .)    .% (   .)    .% (   .)    .%

MAJOR IMPORTS(1983)MACH.TRANSP EQ ,FOOD            ,MFRD GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   71  (1983)   40  (1984)   59
   AS % OF TOTAL IMPORTS (   .)    .% (   .)    .% (   .)    .%

TRADE BALANCE($ MILLIONS, U.S.)(    .)       .( .)       .( .)

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,MEXICO

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    48.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)     8
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (   .)     . %
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.3% (1978)   1.6% (1985)  2.2%

POPULATION IN URBAN AREAS............(1970)    51%   (1980)   52%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    38    (1985)     38

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (   .)     . %

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 45.4% (15-64YRS) 50.3% (65+ YRS)  4.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  54

PEOPLE PER PHYSICIAN................ (1977)  2,978

MAJOR CAUSES OF
DISEASE (    .) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (1981) FLU & PNEUMONIA ,PERINATAL DIS.  ,CIRCULATORY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   116%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)  80%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL   126   MALE   128    FEMALE   124
SECONDARY........ (1982)  TOTAL  26.3   MALE    .     FEMALE    .
POST SECONDARY.. (    .)  TOTAL    .    MALE    .     FEMALE    .

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)        . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BELIZE

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	0.5	1.0	0.9	17.3	5.4	35.4	0.1	35.3
Loans	-	-	-	10.6	0.9	11.5	0.1	11.4
Grants	0.5	1.0	0.9	7.2	4.5	23.9	-	23.9
a. A.I.D. and Predecessor Agencies	-	-	-	16.7	3.9	21.6	0.1	21.5
Loans	-	-	-	10.6	0.9	11.5	0.1	11.4
Grants	-	-	-	6.1	3.0	10.1	-	10.1
(Economic Support Fund)	-	-	-	10.0	-	10.0		
b. Food for Peace (PL 480)	-	-	-	-	-	3.0	-	3.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	3.0	-	3.0
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	-	3.0	-	3.0
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	0.3	-	0.3
Voluntary Relief Agencies	-	-	-	-	-	2.7	-	2.7
c. Other Economic Assistance	0.5	1.0	0.9	1.1	1.5	10.5	-	10.5
Loans	-	-	-	-	-	-	-	-
Grants	0.5	1.0	0.9	1.1	1.5	10.5	-	10.5
Peace Corps	0.5	0.7	0.8	1.1	1.5	10.0	-	10.0
Narcotics	-	-	-	-	-	-	-	-
Other	*	0.3	0.1	0.1	0.1	0.5	-	0.5
II. MILITARY ASSISTANCE – TOTAL	-	-	*	0.1	0.5	0.6	-	0.6
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	*	0.1	0.5	0.6	-	0.6
a. MAP Grants	-	-	-	-	0.5	0.5	-	0.5
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service Funded (MASF) Grants	-	-	*	0.1	*	0.1	-	0.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.5	1.0	0.9	17.4	5.9	36.0	0.1	35.9
Loans	-	-	-	10.6	0.9	11.5	0.1	11.4
Grants	0.5	1.0	0.9	7.3	5.0	24.5	-	24.5
Other U.S. Government Loans and Grants	-	-	-	-	-	0.5	0.2	0.3
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	0.5	0.2	0.3

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	5.5	2.3	0.0	11.2
IBRD	5.3	0.0	0.0	5.3
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.3	0.0	2.9
OTHER-UN	0.2	0.0	0.0	1.1
EEC	0.0	2.0	0.0	2.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	1.0	6.0	7.0
United Kingdom	5.1	4.1	50.8
Canada	0.7	2.2	13.7
Netherlands	0.2	0.2	0.5
Belgium	0.1	-	0.1
Total	7.1	12.5	72.1

2. O.P.E.C. COUNTRIES (Gross Disbursements)

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C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

BELIZE

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	13,000	-	-	-	-	-	13,000	-
Grants	8,650	3,040	50	1,900	2,300	360	1,000	-
Total	21,650 1/	3,040	50	1,900	2,300	360	14,000	
1986								
Loans	1,914	-	-	-	-	-	1,914	-
Grants	6,550	1,850	50	2,250	650	1,750	-	-
Total	8,464	1,850	50	2,250	650	1,750	1,914	
1987								
Loans	3,000	-	-	-	-	-	3,000	-
Grants	7,500	1,900	50	2,050	1,050	2,450	-	-
Total	10,500	1,900	50	2,050	1,050	2,450	3,000	

1/ Includes $11.450 million ($.2 ARDN, $1.25 HEA, and $10.0 ESF) from the FY 1984 Supplemental Appropriation.

FY 1987
PROGRAM HIGHLIGHTS

- Additional support for economic stabilization ($3 million of Economic Support Funds).
- Continued concentration on rural development and alternative agricultural production ($1.9 million).
- Emphasis on economic growth and diversification through support for export expansion, increased power management and institutional credit development ($2.4 million).

BELIZE

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY 1985 (Actual)**	**FY 1986 (Estimated)**	**FY 1987 (Proposed)**
Aid *			
Loans	5,554	8,596	10,587
Grants	3,765	13,514	9,458
Total AID	9,319	22,110	20,045
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	9,319	22,110	20,045

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	**FY 1985 (Actual)**		**FY 1986 (Estimated)**		**FY 1987 (Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PERSONNEL DATA			
Category	**FY 1985 (Actual)**	**FY 1986 (Estimated)**	**FY 1987 (Proposed)**
U.S. National Personnel			
AID Direct Hire[a]	5	6	6.0
PASA[b]	-	-	-
TOTAL	5	6	6

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).
[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	4	8	12	4	35	39	2	31	33
Regional[e]	9	30	39	44	121	165	63	103	166
TOTAL	13	38	51	48	156	204	65	134	199

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.
[b] Academic: degree seeking.
[c] Technical: non-degree seeking.
[d] Participants funded under bilateral programs.
[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	4	4	-	-		-	-	
Regional[e]	-	1	1	-	-		-	-	
TOTAL		5	5						

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.
[b] Academic: degree seeking.
[c] Technical: non-degree seeking.
[d] Participants funded under bilateral programs.
[e] Participants funded under regional programs (e.g., CLASP, AMDP).

BELIZE

Development Overview

Belize is one of the smallest countries in Central America and the only democracy on the Central America isthmus following the British parliamentary system. Agriculture is the predominant sector. Two crops -- sugar and citrus -- provide most of the country's export earnings. The economy depends on international trade for survival, but its small size renders it vulnerable to external market forces beyond its control. By Central American standards, economic well-being among the Belizean populace is relatively high and the benefits are distributed broadly. There are no glaringly disadvantaged groups. Income distribution is among the most equitable in Central America. The main cause of poverty is the country's generally low level of economic development. Emigration of Belizean workers, especially to the United States, remains a serious drain for the country. Even though 75% of the adult population is literate, Belize's human resources are not sufficiently developed to assure sustained growth. Environmental sanitation is a countrywide problem and nearly half the rural populace lacks access to potable water. Also, the rising incidence of malaria is of particular concern.

Like other countries in the region, Belize has been experiencing economic difficulties in recent years. Economic growth has slowed dramatically since the late 1970s. Real gross domestic product (GDP) grew by an average annual rate of 4% in 1979 and 1980. However, GDP rose by only 1% in 1981, declined by some 6% in 1982 and recovery in 1983 and 1984 produced only 1%-2% increases annually. Declines in the value of sugar exports (sugar production generates about 20% of GDP), limited export diversification, and inadequate infrastructure are the principal reasons for poor economic performance in recent years.

Public sector finances, adversely affected by the economic slowdown, have been weak since 1981. The overall public sector deficit rose from 4% of GDP in Belize fiscal year (BFY) 1980/1981 to 8% of GDP in BFY 1983/1984. Before BFY 1982/1983, public sector finances were characterized by a modest central government surplus and a small operating deficit by public enterprises. But the current account was squeezed by salary increases awarded to government employees shortly before independence in 1981 and falling tariff and income tax revenue. The operating deficits of the eight non-financial public enterprises also worsened due to declining revenues, rising fuel costs, and operating inefficiencies.

Under the financial adjustment program that accompanies the current International Monetary Fund (IMF) standby arrangement, public sector finances have improved. Additional taxes imposed early in 1985, central government expenditure constraint and higher charges by state enterprises together have reduced the overall deficit of the public sector to an estimated 3.7% of GDP during BFY 1984/85. Due to unanticipated increases in central government spending and lower than expected receipts from foreign trade taxes, however, this improvement in public sector finances may not be sustainable during the current fiscal year.

In 1984, the current account deficit in the balance of payments was reduced sharply from $11 million to an estimated $6.4 million. Imports remained at about the same level as during 1983; but due to an increase in citrus and garment exports, total export receipts rose by some $6 million. The improvement on the current account, however, was offset by lower than anticipated levels of capital flows due to delays in the execution of donor financed public sector investment projects. Consequently the overall balance-of-payments deficit increased and the loss of net internal reserves was higher than projected.

U.S. Interests and Objectives

The United States and Belize enjoy close and cordial relations. Increasingly, Belize looks to the United States for economic and political support. Its human rights record is exemplary, and while avoiding involvement in Central America in general, the government supports U.S. policies in that region and the Caribbean.

Our overall objective is to maintain friendly relations with Belize and to assure a democratic, independent, economically viable country. Our goal is to attack the constraints to growth with a program that will focus on economic stability, agricultural diversification, export promotion, infrastructure development, and selected human resources development.

A.I.D. Development Strategy

Belize's per capita income and literacy levels place it relatively high among less developed countries of the region. The size of its population (165,000) relative to its natural resource base gives Belize an excellent chance of reaching middle-income status within a decade or two. However, fiscal instability, a narrow productive base, and a lack of productive infrastructure are formidable barriers to rapid economic development and growth.

A.I.D.'s strategy is based upon the recommendations of the National Bipartisan Commission on Central America. Over the near term, A.I.D.'s economic assistance will target fiscal stabilization and productive infrastructure improvements. Economic growth and diversification will enhance the equitable distribution of economic resources among population groups over the longer term and help nurture long-standing, democratic traditions in Belize.

1. Stabilization. During 1985, Economic Support Funds (ESF) supported reform of the consolidated, non-financial public sector. Several parastatals are undergoing management reorganization and capital expansion. Development constraints such as inappropriate trade regulations and domestic pricing policies are being addressed under the ESF program. A floor for development expenditures has been established together with a ceiling on public sector current expenditures. Local currency required under the ESF program supports key line items of the Government of Belize (GOB) development budget.

Economic stabilization requires that the GOB develop and implement a broad plan to address the remaining structural elements of the recurrent fiscal shortfall. A program, designed to support financial stabilization in the fiscal and balance-of-payments accounts has been negotiated with the IMF and became operational in late 1984.

2. Equitable and Broad-Based Growth. To accelerate the move toward greater economic self-reliance, Development Assistance (DA) resources support broadening the economy's productive base, particularly the development and expansion of the private sector, nontraditional exports, and tourism where Belize appears to have a competitive advantage compared to other Caribbean countries.

A.I.D.'s ongoing Livestock Production (505-0006), Rural Access Road and Bridges (505-0007), and recently initiated Commercialization of Alternative Crops (505-0008) projects are aimed at lessening Belize's dependence on sugar as the primary foreign exchange earner. A planned Export and Investment Promotion project (505-0027) is also focused in this area. Additional increases in Belize's productive capacity will be achieved under the recently initiated Increased Productivity Through Better Health (505-0018) and Training for Employment (505-0020) projects.

A.I.D. Program (FY 1985 and FY 1986)

1. Economic Support Funds. A.I.D.'s focus on financial stabilization and economic adjustment will continue during FY 1986. ESF loan assistance of $13 million through the Counterpart Fund II project (505-0012), aimed at correcting earlier declines in income, employment, and economic activity, covers the period March 1985 through June 1986. The IMF standby arrangement provides $7 million from December 1984 through March 1986. A.I.D. believes that the total balance-of-payments assistance (A.I.D. and IMF) of approximately $20 million is adequate through June 1986. There is, however, a need for continued A.I.D. support, and $1.9 million in FY 1986 are programmed for this purpose. A portion of the local currency required from the GOB will be used for financing private sector credit requirements.

Under the Counterpart Fund II agreement (505-0012), A.I.D. has conditioned tranches to improvements in public enterprises policies, e.g., improvements in Belize Electricity Board (BEB) management and financial performance and possible divestiture of the Belize Marketing Board (BMB) rice mills and uneconomic buying and selling of other commodities. A.I.D. is providing $1 million of ESF grant technical assistance through the above project to examine the need for changes in the foreign trade regime and domestic pricing policies. The GOB has recently announced that it will soon complete the divestiture of Banana Control Board (BCB) plantations. All of these efforts involve high-level working groups within which policy dialogue is conducted, based on the recommendations of technical advisors. In the future, this focus will shift to development of appropriate policies for export and tourism development.

2. Agricultural, Rural Development and Nutrition. A recently initiated $6.8 million Commercialization of Alternative Crops project (505-0008),

focused on private sector exports, is the keystone of A.I.D.'s Belize agricultural portfolio. This effort will be coordinated with a planned $585,000 operational program grant (OPG) project (505-0030) to be implemented by the Belize Enterprise for Sustained Technology (BEST) and aimed at a program of integrated management, technical and training services to agricultural, agro-industrial and fishing cooperative societies and associations. Agricultural diversification assistance efforts will be provided to organizations of farmers, such as the Belize Vegetable Producers' Association, and the Corozal Vegetable Producers' Cooperative Society in the northern districts of Belize. They will be reinforced by an ongoing $615,000 OPG (505-0023) implemented by the Pan American Development Foundation (PADF) and Volunteers in Technical Assistance (VITA), joined by the GOB, the Hershey Food Corporation and the Peace Corps (PC) to accelerate cocoa production among 60 small farmers in central Belize.

An ongoing $3.3 million Livestock Production project (505-0006) is improving small- and medium-sized livestock production and expanding market outlets for livestock. The Belizean Ministry of Natural Resources has instituted policy changes which decontrol beef prices and encourage the livestock market to the fullest extent. Operating control of the National Abattoir parastatal, the sole facility certified by the United States Department of Agriculture for processing meat for export, has been transferred to the private sector. Meat processing in Belize has been upgraded enormously through this project, resulting in several private companies exporting meat to the United States and the Caribbean.

To build, upgrade, maintain and protect Belize's rural access roads and bridges, which are essential to rural development, a $6.2 million Rural Access Roads and Bridges project (505-0007) is assisting the Ministry of Works. Concentration of Belize's funds and manpower on primary highways has shifted recently to rural access roads. Road and bridge selection criteria now give equal weight to social concerns and economic factors rather than political imperatives. Also, the Ministry of Works has established a high-level management and planning department, as well as district-level maintenance offices in each of the six road districts in Belize.

A.I.D. and the International Fund for Agricultural Development (IFAD) plan to co-finance a Toledo Small Farmers Development project (505-0016) which will assist milpa (slash and burn shifting cultivation) farmers in their transition to more modern farm techniques and private ownership of land in the impoverished Toledo district. Assistance will focus on agricultural practices by strengthening services to district farmers. The Belize Marketing Board (BMB), sole market outlet for Toledo farmers, will be restructured under the ongoing Counterpart Fund II project (505-0012).

3. Health. A.I.D. has begun implementing the $7 million Increased Productivity Through Better Health project (505-0018) to assist the GOB in controlling the incidence of malaria and dengue fever and expand coverage of potable water and sanitation in rural communities in three districts. A $500,000 Villiage Health and Sanitation OPG (505-0024), with the Cooperative for American Relief Everywhere (CARE), provides rural water and

sanitation improvements in two other districts in Belize while the United Nations Children's Fund (UNICEF) is involved in these activities in the Toledo district. A.I.D. is training professionals to provide health care in the key areas of maternal and child health and laboratory operations through the continued involvement of Project HOPE. Project CONCERN International's matching grant activity is supporting the development of primary health care in Toledo, the most underserved district in the country. A.I.D. has an ongoing OPG with the Breast is Best League (505-0029), which is fostering breast-feeding. To complement other maternal and child health activities, A.I.D. signed an agreement with the International Planned Parenthood Federation, Western Hemisphere Region (IPPF/WHR) to assist with startup of the Belize Family Life Association OPG (505-0031). A.I.D. also plans to support the Ministry of Health's Child Survival Plan 1985-1989 through small grants to private and voluntary organizations (PVOs).

4. Education and Human Resources Development. A recently started $5 million Training for Employment project (505-0020) will be implemented in early 1986. This project responds directly to the need for providing the management, skills and public administration training necessary to promote growth of export-oriented enterprises, including tourism, in Belize. Under the Belize Chamber of Commerce and Industry (BCCI) umbrella, the project will develop a financially sustainable training center which will serve the needs of the private sector. In addition it will assist the GOB to provide public administration and other selected training to key offices critical to the export and tourism strategy of the country. Also, Under the Drug Awareness OPG (505-0033), designed to increase drug awareness among the youth of Belize, a U.S. (PVO), the Parents' Resource Institute for Drug Education (PRIDE), is providing technical assistance, information and materials through Belizean church and civic organizations.

5. Selected Development Activities. A.I.D.'s private sector and agricultural activities are very closely linked. The Belize Export Investment Promotion Unit (BEIPU), housed within the BCCI, will play the leading role in facilitating tourism and industrial and agricultural exports. BEIPU will work closely with BEST to make producer associations viable.

A.I.D. will initiate a $2.3 million Export and Investment Promotion project (505-0027) as a follow-on to an earlier $200,000 Export Promotion OPG (505-0025) that began the BEIPU. This project will establish within BEIPU the capacity to carry out a full range of tourism and export and investment promotion activities which will include the institutional strengthening of BCCI and BEIPU to expand the production base in Belize. BEIPU will bring together joint ventures, promote Belizean products in the United States, and offer assistance on production and exporting. It will serve as a "one-stop shop" for prospective investors, operate as a not-for-profit business, and will be responsible for generating its own revenues through user fees. To reinforce this undertaking, A.I.D. will initiate a $4 million Export Investment Credit project (505-0019) to support agricultural and industrial exports and tourism. BCCI, BEIPU and BEST will provide the necessary linkages to this private sector financial institution. The ongoing $5 million Credit Rediscount Fund project (505-0005) has expanded the availability of affordable, accessible medium-term credit for development. Applications to this facility now total over $6.5 million. The new Export Investment Credit project will expand even further the availability of needed credit.

A $142,000 National Development Foundation OPG (505-0011) with Pan-American Development Foundation (PADF) will continue through FY 1986. A recent PADF evaluation attributes a substantial increase in the availability of credit to small businesses and entrepreneurs to this project.

6. Housing Guaranty Program. Given the need to improve productive capacity through an adequately sheltered population, A.I.D. is implementing a $2 million Housing Guaranty program (HG-01). The GOB has committed itself under this program to strengthen the institutional capacity of the Belizean Development Finance Corporation and the credit union system and to expand shelter construction. A draft national housing policy is under review by the Belizean cabinet.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Belize in FY 1985 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1985 to participants from Belize in the fields of administration, agriculture, computer systems, economics, education, and health.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to Belize are as follows:

Types of Goods	Value
U.S. Machinery and Transport Equipment	$2.565 million
U.S. Steel, and Other Manufactured Materials	$1.560 million
U.S. Chemicals and Fertilizers	$0.875 million
Total	$5.000 million

C. Local currency associated with A.I.D. assistance to Belize was allocated by A.I.D. and the Government of Belize for the following uses in FY 1985. (No local currency was available for allocation at the beginning of FY 1985. An equivalent of $5 million was added during FY 1985.)

Public Works	$2.128 million
Agricultural Activities	$1.596 million
Health, Education, and Housing	$0.746 million
Trust Fund	$0.288 million
Training	$0.242 million
Total	$5.000 million

D. Reprogramming of funds for Belize during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

($ 000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1985 Obligations	21,450	3,090	50	1,900	-	2,050	360	14,000
- Actual FY 1985 Obligations	21,650	3,040	50	1,900	-	2,300	360	14,000

E. Funds and Programs provided to Belize in FY 1985 though non-governmental as contrasted to governmental channels:

	Non-governmental	Government of Belize
DA	$5.019 million (66%)	$2,631 million (34%)
ESF	-0-	$14.000 million (100%)
Total	$5.019 million (23%)	$16.631 million (77%)

Requested Year Program (FY 1987)

A.I.D. proposes $3 million in ESF and $7.5 million in DA resources in FY 1987 to continue the projects described above under the 1985/86 program and begin one new project. These resources will focus on economic revitalization, as well as agricultural, private sector, health and human resources development.

1. Economic Support Funds. ESF of $3 million is requested to continue balance-of-payments support, and related government policy reforms.

2. Agriculture. DA of $1.9 million is requested to incrementally fund the Commercialization of Alternative Crops (505-0008, $1.3 million), Toledo Small Farmer Development (505-0016, $400,000) and BEST OPG (505-0030, $185,000) projects, as well as Program Development and Support project (505-0000, $40,000) funds for project development and evaluations.

3. Population, Health, Education, and Human Resources. DA of $3.2 million is requested to incrementally fund the Increased Productivity Through Better Health (505-0018, $2 million) and Training for Employment (505-0020, $1 million) projects, as well as for Program Development and Support project (505-0000, $150,000) funds for project development, population policy studies, family planning and related supplies.

4. Selected Development Activities. DA of $2.4 million is requested, including $300,000 to start the Energy Planning project (505-0028) to assist the GOB in formulating a national energy plan. The high cost and lack of dependable supplies of electricity are major constraints to economic growth. This energy planning effort complements technical

assistance being provided to the Belize Electricity Board (BEB) under the Counterpart Fund II project (505-0012). Also, incremental funding will be required for the Export and Investment Promotion project (505-0027, $750,000) and the Export Investment Credit project (505-0019, $1.3 million), as well as the Program Development and Support project (505-0000, $100,000) for project evaluation and development.

A.I.D. Representative: Neboysha R. Brashich

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BELIZE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	505-0000	83	C	---	---	441	352	50	108	40	50
LIVESTOCK PRODUCTION (PC)		G	505-0006	83	84	1,350	1,350	1,350	257	---	500	---	593
LIVESTOCK PRODUCTION (PC)		L	505-0006	83	84	1,900	1,900	1,900	713	---	600	---	587
RURAL ACCESS ROADS AND BRIDGES (PC)		G	505-0007	83	85	6,150	6,150	6,150	4,644	---	806	---	700
COMMERCIALIZATION OF ALTERNATIVE CROPS		G	505-0008	85	88	6,800	6,800	2,225	---	1,000	1,250	1,275	1,700
TOLEDO SMALL FARMER DEVELOPMENT		G	505-0016	86	88	---	2,500	---	---	600	400	400	500
ACCELERATED COCOA PRODUCTION (PC) OPG		G	505-0023	84	85	615	615	615	134	---	241	---	240
BEST - CASA PROGRAM (OPG)		G	505-0030	86	87	---	385	---	---	200	150	185	235
TOTAL FOR ACCOUNT						16,815	19,700	12,681	6,100	1,850	4,055	1,900	4,605
GRANTS						14,915	17,800	10,781	5,387	1,850	3,455	1,900	4,018
LOANS						1,900	1,900	1,900	713	---	600	---	587
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	505-0000	83	C	---	---	50	2	20	38	50	45
FAMILY LIFE EDUCATION		G	505-0031	86	86	---	30	---	---	30	15	---	15
TOTAL FOR ACCOUNT						---	30	50	2	50	53	50	60
GRANTS						---	30	50	2	50	53	50	60
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	505-0000	83	C	---	---	90	45	50	40	50	45

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: BELIZE

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
INCREASED PRODUCTIVITY THROUGH BETTER HE	G	505-0018	85	88	7,000	7,000	1,500	---	1,250	1,500	2,000	1,000
VILLAGE HEALTH SANITATION OPG	G	505-0024	84	86	500	700	500	128	200	270	---	300
BREAST IS BEST LEAGUE - OPG	G	505-0029	85	85	50	50	50	21	---	19	---	10
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	505-9999	83	C	---	---	---	---	750	250	---	500
TOTAL FOR ACCOUNT					7,550	7,750	2,140	194	2,250	2,079	2,050	1,855
GRANTS					7,550	7,750	2,140	194	2,250	2,079	2,050	1,855
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	505-0000	83	C	---	---	300	49	50	146	50	145
TRAINING FOR EMPLOYMENT	G	505-0020	85	88	5,000	5,000	2,000	---	500	1,000	1,000	1,000
DRUG AWARENESS OPG	G	505-0033	86	86	100	100	---	---	100	50	---	50
TOTAL FOR ACCOUNT					5,100	5,100	2,300	49	650	1,196	1,050	1,195
GRANTS					5,100	5,100	2,300	49	650	1,196	1,050	1,195
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	505-0000	83	C	---	---	500	430	200	155	100	175
SPECIAL DEVELOPMENT ACTIVITIES FUND	G	505-0010	84	C	---	---	100	49	50	75	50	75
EXPORT INVESTMENT CREDIT	G	505-0019	85	88	---	4,000	---	---	750	500	1,380	1,000
EXPORT PROMOTION (CHAMBER OF COMM.) OPG	G	505-0025	83	85	200	200	200	125	---	75	---	---
PILOT GUIDANCE, COUNSELING, & PLCMT - OP	G	505-0026	84	84	80	80	80	17	---	33	---	30

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BELIZE

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
EXPORT & INVESTMENT PROMOTION		G	505-0027	86	88	---	335,000	---	---	750	500	750	500
ENERGY SECTOR STRUCTURAL ADJUSTMENT	*	G	505-0028	87	88	---	500	---	---	---	---	300	150
TOTAL FOR ACCOUNT						230	339,780	880	623	1,750	1,351	2,450	1,930
GRANTS						230	339,780	880	623	1,750	1,351	2,450	1,930
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
CREDIT REDISCOUNT FUND		L	505-0005	83	83	5,000	5,000	5,000	---	---	3,000	---	2,000
COUNTERPART FUND II		G	505-0012	85	85	1,000	1,000	1,000	138	---	462	---	400
COUNTERPART FUND II		L	505-0012	85	85	13,000	13,000	13,000	5,000	---	8,000	---	5,000
COUNTERPRT FUND III		L	505-0013	86	87	---	4,914	---	---	1,914	1,914	3,000	3,000
TOTAL FOR ACCOUNT						19,000	23,914	19,000	5,138	1,914	13,376	3,000	10,400
GRANTS						1,000	1,000	1,000	138	---	462	---	400
LOANS						18,000	22,914	18,000	5,000	1,914	12,914	3,000	10,000
TOTAL FOR COUNTRY						48,745	396,274	37,051	12,106	8,464	22,110	10,500	20,045
GRANTS						28,845	371,460	17,151	6,393	6,550	8,596	7,500	9,453
LOANS						19,900	24,914	19,900	5,713	1,914	13,514	3,000	10,587

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: BELIZE

Title Energy Planning	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 300
Number 505-0028 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 300

Life of Project Funding	500		
Initial Obligation FY 87	Estimated Final Obligation FY [illegible]	Estimated Completion Date of Project FY 88	

Purpose: To assist the Government of Belize in formulating a national energy plan that will support rational, realistic economic growth and development.

Project Description: Belize's present electrical power system is inadequate to meet the demands placed upon it, resulting in numerous breakdowns in Belize City over the past few years. Many rural areas are also without electricity. The government recognizes that an adequate energy supply is critical to Belize's export development, and has already undertaken to reorganize the Belize Electricity Board with the assistance of an A.I.D. financed technical advisor.

Over the long term, however, Belize must increase its electrical power generating and distribution capabilities in order to meet development needs. To support the government in this program, this project will finance assistance in completing a comprehensive national energy plan that addresses the development of an integrated power system responsive to Belize's needs and resources. The project will be developed in coordination with a long-term World Bank program which will provide $15 million for the orderly expansion and modernization of the power system.

Relationship to A.I.D. Country Strategy: The project supports the overall A.I.D. strategy of expanding employment and income opportunities through stimulation of the private sector. It directly facilitates programs designed to encourage exports, develop small enterprises and diversify agricultural production.

Host Country and Other Donors: The World Bank is committed to a long-range program which will assure a reliable supply of power through 1993.

Beneficiaries: The project will benefit the Belizean economy as a whole, encouraging the generation of additional employment opportunities and foreign exchange.

Major Outputs:	All Years
National energy plan	1

A.I.D.-Financed Inputs		Life-of-Project ($000)
Technical Assistance		300
Feasibility Studies		200
	Total	500

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	---	---	---
Estimated Fiscal Year 1986	---	---	
Estimated Through September 30, 1986	---	---	---
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	300	200	500

Principal Contractors or Agencies

AID 370-7 (11-85)

COSTA RICA

55

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (515) COSTA RICA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      2.644

PER CAPITA GNP........... (DOLLARS 1983)      1,020

ANNUAL PER CAPITA REAL GNP GROWTH RATE  (1965-83)  2.1%

ANNUAL RATE OF INFLATION (1973-83) 23.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1971)   3.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 74.1  MALE 72.3  FEMALE 76.0
                    (1970)   TOTAL 66.9  MALE 65.0  FEMALE 68.8

ADULT LITERACY RATE  (1973)   TOTAL  88%  MALE  89%  FEMALE  88%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)   0.0%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    23%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        83


MAJOR CROP(S)                                ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,BEANS-DRY ,RICE                41%   (1984)
  CASH: BANANAS ,COFFEE ,BEEF AND VEAL              58%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,BANANAS ,BEEF AND VEAL

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,OILCAKE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    27%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1980)        860 (81)         468 (82)        455
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1980)      1,218 (81)         544 (83)        478
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1980)       -357 (81)         -75 (82)        -23
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978)  2.8% (79)  2.7% (80)  2.5%
  AS % OF GNP................. (1978)  0.7% (79)  0.7% (80)  0.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   249 (83)   346 (84)   405
  EQUIVALENT TO  3.2 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE          ,BANANAS        ,BEEF

EXPORTS TO U.S.
   ($ MILLIONS, US. FOB) (1982)  292  (1983)  274  (1984)  494
   AS % OF TOTAL EXPORTS (1981)   39% (1982)   37% (1983)  34%

MAJOR IMPORTS(1983)MANUFCTURD PROD,MACHINERY       ,TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US. CIF) (1982)  318  (1983)  374  (1984)  432
   AS % OF TOTAL IMPORTS (1981)   44% (1982)   44% (1983)  45%

TRADE BALANCE($ MILLIONS, U.S.)(1982)     64(83)    -45(84)   -39

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     137%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983)   607
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)...  (1984)  53.2%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.8% (1978)   5.8% (1985)  2.6%

POPULATION IN URBAN AREAS............(1970)    40%   (1985)   46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    33  , (1985)    31

MARRIED WOMEN AGED 15-44 YRS  USING CONTRACEPTION.  (1981)  65.0%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 36.6% (15-64YRS) 59.7% (65+ YRS)  3.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  19

PEOPLE PER PHYSICIAN................ (1979)  1,438

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA       ,GONORRHEA       ,MUMPS
DEATH.. (1979) HEART DISEASE   ,ILL-DEFINED CAUS,ACCIDENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   118%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  84%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL   104    MALE   105     FEMALE   103
SECONDARY........ (1982)  TOTAL  50.5    MALE  46.6     FEMALE  34.1
POST SECONDARY.. (1980)  TOTAL  20.2    MALE  10.3     FEMALE   8.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     24.3%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY COSTA RICA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	16.0	15.3	51.7	214.1	169.9	716.4	54.1	662.3
Loans	12.0	10.0	42.7	166.2	69.9	426.7	54.1	372.6
Grants	4.0	5.3	9.0	47.9	100.0	289.7	-	289.7
a. A.I.D. and Predecessor Agencies	13.6	11.5	31.5	184.2	145.5	536.7	39.2	497.5
Loans	12.0	10.0	24.7	138.2	47.4	345.8	39.2	306.6
Grants	1.6	1.5	6.8	46.0	98.1	190.9	-	190.9
(Economic Support Fund)	-	-	20.0	157.0	130.0	307.0		
b. Food for Peace (PL 480)	0.4	1.8	19.1	28.2	22.5	91.1	1.8	89.3
Loans	-	-	18.0	28.0	22.5	68.3	1.8	66.5
Grants	0.4	1.8	1.1	0.2	-	22.8	-	22.8
Title I - Total Sales Agreements	-	-	18.0	28.0	22.5	68.3	1.8	66.5
Repayable in U.S. Dollars - Loans	-	-	18.0	28.0	22.5	68.3	1.8	66.5
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.4	1.8	1.1	0.2	-	22.8	-	22.8
Emerg. Relief, Econ. Develop. & World Food Program	0.4	0.2	0.2	0.2	-	7.5	-	7.5
Voluntary Relief Agencies	-	1.6	0.9	-	-	15.3	-	15.3
c. Other Economic Assistance	2.0	2.0	1.1	1.7	1.9	88.6	13.1	75.5
Loans	-	-	-	-	-	12.6	13.1	0.5-
Grants	2.0	2.0	1.1	1.7	1.9	76.0	-	76.0
Peace Corps	1.4	1.7	1.0	1.7	1.8	22.7	-	22.7
Narcotics	-	-	-	-	-	0.1	-	0.1
Other	0.5	0.2	0.1	0.1	*	53.2	-	53.2
II. MILITARY ASSISTANCE – TOTAL	-	*	2.1	4.6	9.1	22.9	6.3	16.6
Credits or Loans	-	-	-	-	-	5.0	6.3	1.3-
Grants	-	*	2.1	4.6	9.1	17.9	-	17.9
a. MAP Grants	-	-	2.0	4.5	9.0	16.4	-	16.4
b. Credit Financing - FMS	-	-	-	-	-	5.0	6.3	1.3-
c. Military Assistance Service Funded (MASF) Grants	-	*	0.1	0.1	0.1	1.3	-	1.3
d. Transfers from Excess Stocks	-	-	-	-	-	0.1	-	0.1
e. Other Grants	-	-	-	-	-	0.1	-	0.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	16.0	15.3	53.8	218.7	179.0	739.3	60.4	678.9
Loans	12.0	10.0	42.7	166.2	69.9	431.7	60.4	371.3
Grants	4.0	5.3	11.1	52.5	109.1	307.6	-	307.6
Other U.S. Government Loans and Grants	6.4	5.1	3.0	-	2.1	80.7	85.0	4.3-
a. Export-Import Bank Loans	6.0	5.1	-	-	-	70.4	82.3	11.9-
b. All Other Loans	0.4	-	3.0	-	2.1	10.3	2.7	7.6

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	124.4	35.8	155.3	1213.1
IBRD	25.2	0.0	83.5	489.9
IFC	1.5	0.0	0.0	5.7
IDA	0.0	0.0	0.0	4.6
IDB	97.2	35.8	71.6	696.2
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.4	0.0	0.0	12.2
OTHER-UN	0.1	0.0	0.2	3.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	44.0	201.0	266.0
Germany,Fed. Rep.	9.2	5.8	59.5
Japan	1.4	1.0	39.1
Canada	1.1	7.2	9.1
Netherlands	1.2	1.1	8.7
Other	4.8	4.4	18.3
Total	61.7	220.5	400.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	15
Eastern Europe	-	-	10
Total			25

COSTA RICA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	10,700	2,000	-	-	-	8,700	-	-
Grants	169,847	950	1,125	50	3,796	3,905	160,000	21
Total	180,547 1/	2,950	1,125	50	3,796	12,605	160,000	21 2/
1986								
Loans	6,250	1,000	-	-	-	5,250	--	-
Grants	125,232	1,850	25	50	580	2,145	120,582	-
Total	131,482	2,850	25	50	580	7,395	120,582	
1987								
Loans	9,000		-	-	-	9,000	-	-
Grants	157,000	1,350	25	50	600	4,975	150,000	-
Total	166,000	1,350	25	50	600	13,975	150,000	

1/ Includes $6.796 million ($.171 million in EHR, $6.625 million in SDA) from the FY 1984 Supplemental Appropriation.
2/ Foreign Disaster Assistance.

FY 1987
PROGRAM HIGHLIGHTS

- A $150 million Economic Support Fund (ESF) program to consolidate stabilization of the economy and support Costa Rica's economic recovery program.
- A $18 million P.L. 480 Title I program to finance essential food imports and to continue support for agriculture sector reforms.
- $9 million to provide medium- and long-term credit required by the private agricultural and industrial sectors to replace and update plant equipment and processes to improve productivity and price competitiveness in extraregional markets.
- Local currency made available from the ESF program serves as the principal financial resource for development programs aimed at laying the basis for long-term economic growth, spreading the benefits of growth, and democracy.

COSTA RICA

RESOURCE FLOWS *(In thousands of dollars)*			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
AID *			
Loans	10,493	24,556	21,645
Grants	211,186	142,966	159,262
Total AID	221,679	167,522	180,907
P.L. 480 **			
Title I	21,400	23,000	18,000
(of which Title III is)	(-)	(-)	(-)
Title II			-
Total P.L. 480	21,400	23,000	18,000
Total AID and P.L. 480	243,079	190,522	198,907

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	116,500	18,400	120,000	18,700	124,000	16,000
Rice	-	-	-	-	-	-
Feedgrains	25,500	3,000	10,000	1,300	19,000	2,000
Vegoil	-	-	-	-	-	-
Non-food	-	-	8,000	-	-	-
Title I Total	142,000	21,400	161,000[1]	23,000[2]	143,000	18,000
(of which Title III is)		-	-	-	-	-
Title II [1]						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total						
Total P.L. 480	142,000	21,400	161,000	23,000	143,000	18,000

[1] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

1/ Includes 23,000 metric tons of undesignated commodities.
2/ Includes $3 million of undesignated commodities.

COSTA RICA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	26	23	23
PASA[b]	0	0	0
TOTAL	26	23	23

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	2	2	28	136	164	12	119	131
Regional[e]	12	72	84	111	728	839	52	300	352
TOTAL	12	74	86	139	864	1,003	64	419	483

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	-		-					
Regional[e]	-	-			21	21			
TOTAL					21	21			

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

COSTA RICA

Development Overview

By the mid-1970s, Costa Rica appeared to be a model developing country. Growth of gross domestic product (GDP) averaged over 6% per year; social security, worker benefits and similar measures were institutionalized; and social and physical infrastructure were widely distributed throughout the country. The results were dramatic: adult literacy reached 90%, infant mortality declined sharply to under 20 per thousand, population growth fell from 3.7% to 2.6%, and open unemployment was held to less than 6% of the labor force.

By the late 1970s, however, the terms of trade had started to turn against Costa Rica as coffee prices fell sharply and petroleum prices doubled. Costa Rica maintained its growth-with-equity performance for a brief period through heavy internal and external borrowings. A policy of strong monetary expansion maintained existing levels of public and private consumption but caused inflation, exchange rate depreciation, and reduction of foreign exchange reserves to negative levels. In July 1981, the Government of Costa Rica (GOCR) suspended principal and interest payments on external debt whose servicing requirements it could no longer meet. Cut off from external financing, Costa Rica faced a rapidly deteriorating economy. GDP fell, dropping to a negative rate of 7.3% in 1982. Open unemployment reached 9.5% in 1982. Inflation exploded to over 100% in 1982, and the fiscal deficit reached 14% of GDP in 1981.

Since taking office in May 1982, the Monge administration has made steady progress in stabilizing the economy and in reaching agreements with external creditors. Costa Rica's GDP returned to positive growth rates, reaching 2.3% in 1983 and 6.6% in 1984. The rate of inflation has been reduced to less than 20% per annum. The fiscal deficit of the nonfinancial public sector was reduced to 1.4% in 1984. Export performance has also improved. In 1984, export earnings increased by 10% after three consecutive years of stagnation and decline.

The GOCR's economic recovery effort has taken place within the context of an IMF standby agreement, which in turn was supported by A.I.D. balance-of-payments financing and an $80 million IBRD Structural Adjustment Loan. Significant levels of private bank refinancing also took place under debt rescheduling agreements reached between the GOCR and its U.S. and European creditors.

The major donors have recognized that Costa Rica's economic difficulties, which culminated in the 1981-1982 economic crisis, resulted in part from a combination of external factors: skyrocketing oil prices and interest rates, political turmoil in other Central American countries, world recession, and falling prices for the country's main exports. They have recognized, too, that structural factors in the Costa Rican economy, including excessive growth and economic distortions in the public sector, were also key contributors to the problems. Structural problems were also inherent in the import substitution industrialization strategy followed after 1960 throughout Central America. High levels of industrial protection, overvalued exchange rates, subsidized interest rates, and other incentives to capital investment resulted in an industrial sector with considerable excess capacity, dependent on imported inputs, and heavily reliant on the growth of domestic and regional markets. The import substitution industrialization incentives also discouraged exporting outside Central America.

A.I.D., in conjunction with the other donors, has worked with the GOCR to effect a number of major macroeconomic reforms essential to achieving sustainable long-term growth. Among these are a major reduction in the number of investments which receive subsidized credit, a unified exchange rate, the maintenance of positive real interest rates on time deposits and on credit extended, and passage of a monetary reform law which improves the competitive ability of private banks in a state-bank-dominated system.

Although Costa Rica's economic progress since 1982 has been encouraging, the stabilization effort is not yet complete. While Costa Rica has returned to positive economic growth rates, the estimated per capita GDP in 1985 is only about the same as the 1975 level. Further, with current account balance-of-payments shortfalls in excess of $300 million and scheduled public sector debts after renegotiation still at about $250 million per annum, the annual financial requirement from external sources is in excess of $500 million.

U.S. Interests and Objectives

With its strong tradition of democracy and social justice, Costa Rica is important to the U.S. goal of establishing free, stable, democratic nations throughout Latin America. Thus far, the country's dedication to democracy has not faltered in the face of reduced living standards and the growing threat of neighboring Nicaragua. But Costa Rica will continue to require significant levels of economic assistance over the next few years to avoid further significant declines in living standards. The social and political risks of such a decline are contrary to U.S. interests in the region.

The major objectives of U.S. economic assistance are to help Costa Rica consolidate the process of economic stabilization, restore rapid and sustained economic growth without an unmanageable increase in external debt, and preserve Costa Rica as a model of democratic, broad-based development.

A.I.D. Development Strategy

To achieve these objectives, A.I.D. supports a strategy based on the framework of the four main thrusts of the recommendations of the President's Bipartisan Commission on Central America (NBCCA), i.e., economic stabilization, laying the basis for long-term growth, spreading the benefits of growth, and strengthening democracy. Central to this strategy is maximizing the involvement of the private sector in the development process, especially to take the lead in fostering export-led growth, and achieving structural change through policy dialogue.

a) Economic stabilization. A.I.D. is participating with the IMF, the IBRD, and commercial banks in the the GOCR's economic recovery program by providing balance-of-payments assistance essential to permit (1) the importation of raw materials and intermediate goods needed to keep businesses functioning, and (2) the importation of essential foodstuffs not produced in sufficient quantities domestically. A.I.D.'s sizeable balance-of-payments assistance has allowed us to enter a policy dialogue with both government and private sector leaders on reforms aimed at eliminating the economy's structural problems which contributed to the 1982 crisis, such as an overvalued exchange rate, economic distortions in the public sector characterized by a state-dominated banking system and inefficient parastatal enterprises, bloated public sector expenditures, and bureaucratic controls in such areas as customs administration that impede productivity.

b) Laying the basis for sustained, long-term growth. A.I.D. is addressing--through dialogue on policy and structural changes, by supporting projects which strengthen the private sector directly and indirectly, and by responding to the export opportunities provided by the Caribbean Basin Initiative--the constraints which affect the ability of the private sector to fill its role in achieving sustained economic growth. These constraints include:

- structural constraints: high import taxes which create disincentives to production, non-competitiveness due to over-protection for domestic industries, and public sector ownership of the Costa Rican Development Corporation (CODESA), whose subsidiaries are financially unviable commercial enterprises;

- financial constraints: inadequate credit for the productive private sector, scarcity of foreign exchange to satisfy import requirements, and an inefficient national banking system; and

- technical constraints: limited management know-how for streamlining industry, lack of marketing expertise for penetrating foreign markets, and an investment and export promotion structure which is only in its early stages of development.

c) Spreading the benefits of growth. A.I.D. is emphasizing those areas where its program can have the greatest and most immediate impact, keeping in mind Costa Rica's commitment to equity concerns and the excellent progress already made in this area. A.I.D.'s strategy, executed wherever possible through the private sector, emphasizes employment (as direct and indirect results of export expansion), housing, maintenance of roads, textbooks for all primary school students, establishment of a regional College of Agriculture for the Humid Tropics (EARTH), and the Central America Peace Scholarship program (CAPS). The program also includes modest assistance in population and health.

d) Strengthening democracy. Costa Rica, a vibrant, functioning democracy, recently celebrated another free election. The United States views the country both as a valuable ally and a critical regional resource for promoting democratic development in Central America. A.I.D. plans to respond to targets of opportunity to strengthen institutions which have served and continue to serve as models of success for other Central American countries. Among these institutions are the University of Costa Rica Law School, the Inter-American Institute of Human Rights Center for Electoral Advice and Promotion, and the U.S.-affiliated Latin American Institute on the Prevention of Crime and Treatment of Offenders (ILANUD). A.I.D. is also providing, under CAPS, U.S. training for Costa Rican high-school and university students, as well as leaders in a broad range of areas such as cooperatives, journalism, municipal government, and the arts. A.I.D. is also promoting democratic institutions through self-help community programs and through private voluntary organizations.

A.I.D. Program (FY 1985 and FY 1986)

A. Economic Stabilization

The Economic Stabilization and Recovery (ESR) programs, which provided $160 million in balance-of-payments support to Costa Rica in FY 1985 and will provide another $120 million in FY 1986, are the core of the A.I.D. program in Costa Rica. Together with financing provided under P.L. 480, Title I and the Trade Credit Insurance Program, they provide major support for Costa Rica's stabilization effort. Local currency made available under the ESR programs serve as a principal source of funding for a wide range of development activities. The ESR program also provides A.I.D. with leverage in policy reform negotiations. Successes have included almost total elimination of subsidized credit, involving limiting subsidized credit to only 15% of all available credit as of December 31, 1984; a unified exchange rate; and maintenance of positive interest rates. Another success has been passage of the new Monetary Law, which facilitates private banks' access to local-currency and foreign-exchange credit lines. Most recently, the GOCR has begun a process under which it will divest itself of parastatal enterprises which have accounted for 30% of the public sector deficit. A.I.D. began assisting the GOCR with divestiture in FY 1985, and will continue in FY 1986.

P.L. 480 Title I programs of $21.4 million in FY 1985 and $23.0 million in FY 1986 contribute to economic stabilization by providing balance-of-payments assistance in the form of essential food imports. The local currencies generated under the programs also support self-help measures and activities in rural development.

B. Economic Growth

A.I.D programs are contributing to achievement of long-term growth objectives, primarily through credit and services to promote private enterprise.

The Private Investment Corporation project (515-0204) provides medium and long-term financing, equity investment, and other merchant banking services not traditionally available to private sector enterprises in Costa Rica. The Private Sector Export Credit project (515-0187) with the Costa Rican Industrial Financing Corporation (COFISA) is financing medium and long-term loans for new export projects. Another project aimed at maintaining a traditional export--coffee--is an OPG with the Agricultural Cooperative Development International (ACDI). Initiated in FY 1985, it is providing technical assistance to small farmers fighting the spread of coffee rust. Finally, Program Development and Support funds are being directed increasingly to the commercial aspects of agriculture and agribusiness.

Funds from the Selected Development Activities account are used both to support long-term growth through expanded export production, markets, and investment, and to spread the benefits of growth through the employment generated by a growing economy. A.I.D. will continue this effort in FY 1986 with the initiation of an Agricultural and Industrial Reactivation project (515-0223) to finance medium and long-term credit to existing industrial and agro-industrial companies for plant modernization and improvement. Lessons learned from the Private Sector Productivity end-of-project evaluation will be used in developing the new project.

The Policy Planning and Administrative Improvement project (515-0190) provides technical assistance aimed at improving some of the structural and technical constraints to increasing exports. Program Development & Support activities include technical assistance related to the public sector divestiture of parastatal enterprises, which will eventually lead to increased credit availability for the private sector.

C. Broadening the Benefits of Growth

The Northern Zone Infrastructure Development project (515-0191) is providing a basis for the efficient and equitable socio-economic growth in sparsely settled but strategic areas of northern Costa Rica by financing rural community infrastructure, extension, research and marketing services, land titling and production credit. The major component of this project, road construction, began in FY 1985.

The Agrarian Settlement and Productivity project (515-0148) is helping to improve and expand the Costa Rican national program of agricultural asset redistribution, and to increase land tenure security.

The Health Services Support project (515-0203), which assists in purchasing pharmaceuticals and medical supplies, also supports A.I.D.'s benefit-spreading strategy. The project includes technical assistance to streamline the procurement and financial systems of the Social Security Institute and to improve generally the efficiency of the health delivery system. In FY 1986, a Program Development and Support funded study will help identify further areas where specifically targeted technical assistance will help improve administrative or logistical efficiency in the health sector.

As part of A.I.D.'s benefit-spreading thrust, the Family Planning Self-Reliance project (515-0168) is continuing to improve delivery of family planning services through training, logistics improvement, and communication and information activities. A commercial retail sales program was launched in late 1985 to expand contraceptive availability to low-income families. In FY 1986, Program Development and Support funds will support a mid-term evaluation of commercial retail sales, training and information activities, and will finance a demographic survey and analysis.

A.I.D.'s education and training programs contribute both to laying the basis for growth and to spreading the benefits of growth. The Training for Private Sector Development project (515-0212) finances training for banking, private sector and university personnel needed to develop the skills required to help Costa Rica shift from an import substitution to an export-led economy. The Policy Planning and Administrative Improvement project (515-0190) is financing studies, technical assistance and training in support of: economic policy formulation to encourage export-led growth; improved and expanded performance of the Costa Rican private sector; and administrative and managerial improvements in the public sector. The project was expanded in FY 1985 to include efforts aimed at the spreading the benefits of growth.

Local currency from the ESR program is also supporting efforts in the education sector. Agricultural training in the region in the past has been heavily focused on highland temperate horticulture and livestock, and relatively little attention has been given to the problems of farmers living in the tropical lowlands. To fill this educational gap and provide the technicans needed to exploit the productive potential of this portion of the region's agricultural sector; the new Central American Regional Agricultural Higher Education project (596-0129) is providing the resources needed to create a new undergraduate school with a focus on the lowland, humid tropics. A.I.D. is supporting the creation of the school by providing local currency for operating capital, school construction, equipment and other expenses. Local currency resources are also: supporting other private institutions of higher learning through endowments and library support to provide an alternative to public sector higher education; contributing to local scholarship programs; and financing textbooks for the entire public primary school system.

Housing programs contribute to spreading the benefits of growth by helping to meet the shelter requirements of Costa Rica's middle and low-income population. The A.I.D. program currently includes two Housing Guaranties: the Urban Employment and Improvement project (515-HG-006) and the Private Sector Low Cost Shelter project (515-HG-007). These will terminate in FY 1986 and 1987, respectively. The latter project will undergo a major evaluation to document the success of the savings and loan industry fostered under the project and supported by local currency generations. A.I.D. is also using local currencies made available under ESF programs to effect major structural changes in the public institutions serving the housing sector.

D. Democratic Institutions and Human Rights

A new OPG initiated with the American Institute for Free Labor Development in

FY 1985, the Agricultural Services and Union Development Program (515-0227), is promoting democratic institutions by developing an institutional capacity within the National Confederation of Workers to administer and operate an agrarian services department responsible to its federation and farm union constituency.

A.I.D.'s Selected Development Activities program includes the Special Development Activities Fund (515-0133). This project supports community and organizational self-help efforts, which very often involve the construction of a school building or other facility which can be used as a community meeting center. ESF-associated local currency has been used to expand the coverage of this program.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Costa Rica in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. In FY 1985, A.I.D. provided observation tours and skill training for groups of indigenous leaders, small-scale entrepreneurs, small scale farmers, student leaders and labor leaders.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Costa Rica are as follows:

Types of Goods	Value
U.S. Raw Materials	
Agriculture	$ 29.00 million
Manufacturing and Mining	116.00 million
Construction	7.00 million
U.S. Capital Goods	
Agriculture	9.00 million
Manufacturing and Mining	37.00 million
Construction	6.00 million
Transport	3.00 million
Total	$207.00 million

C. Local currency associated with A.I.D. assistance to Costa Rica was allocated by A.I.D. and the Government of Costa Rica for the following uses in FY 1985. (There was a total of $38.5 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $207.9 million was added during FY 1985.):

Increase private sector involvement (provision of credit)	$ 30.90 million
Host government economic policy reform (divestiture of government owned enterprises, local costs of policy planning and administrative improvement)	131.6 million

Support export promotion efforts (dock improvements, support for reduction in port charges/tariffs)	7.9 million
Housing and Infrastructure (road maintenance/repair, water/sewage program)	13.7 million
Promote community organizations and democratic institutions	1.0 million
Training and education programs (construction and establishment regional agricultural school)	63.6 million
Education programs in business/ public administration	2.8 million
Translation, publication/distribution of books and educational materials	1.0 million
Accelerate agriculture development	8.3 million
Expand Health/nutrition programs	1.0 million
Continue A.I.D. population and family planning program	.3 million
Operating expenses	2.5 million
Building acquisition	4.5 million
Total	$269.1 million

D. Reprogramming of funds for Costa Rica during FY 1985 resulted in the following functional account changes. Estimated FY 1985 obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1985 Obligations	179,596	2,850	1,535	50	3,796	11,375	160,000
- Actual FY 1985 Obligations	180,526	2,950	1,175	50	3,796	12,605	160,000

E. Funds and Programs provided to Costa Rica in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Costa Rica
DA	$23.7 million (91.5%)	$ 2.6 million (8.5%)
ESF	-	220.0 million (100%)
P.L. 480 Title I	-	20.1 million (100%)
Total	$23.7 million (9%)	$242.7 million (91%)

Requested Year Program (FY 1987)

A.I.D. requests $150 million in ESF, $16.0 million in DA, and $18 million in P.L. 480 Title I.

A. Economic Stabilization ($150 million ESF, $18 million Title I)

The proposed Economic Stabilization and Recovery VI project (515-0231) will continue balance-of-payments support in order to enable the continued financing of imports of U.S. raw materials and intermediate goods needed to keep businesses functioning in the near term. Local currency required under the project will be used for a range of development activities in support of the four thrusts of the program strategy, including divestiture of parastatal enterprises, expanded housing, road maintenance and repair, export promotion programs, and health, education and training activities.

The Title I program will continue to provide balance-of-payments assistance through import of essential food commodities, and the local currencies generated under the program will support support self-help measures and other rural development activities.

B. Economic Growth

Agriculture, Rural Development and Nutrition ($1.350 million): A.I.D. requests $850,000 million for operational program grant (OPG) projects under this appropriation category, and $500,000 for Program Development and Support directed mainly at the commercial aspects of the agriculture sector.

Selected Development Activities ($13,975,000): A.I.D. proposes to allocate $9 million for the Agricultural and Industrial Reactivation project (515-0223) which will begin in FY 1986, and $2.4 million to complete planned funding of the Policy Planning and Administrative Improvement project (515-0190), $1,750 for operational program grant (OPG) projects, $725,000 for Program Development and Support, and $100,000 for the Special Development Activities Fund (515-0133).

C. Broadening the Benefits of Growth

Population, Health, Education and Human Resources ($675,000): A.I.D. proposes $500,000 to complete the Training for Private Sector Development project (515-0212), and $175,000 for Program Development and Support for technical assistance, training, and other services in support of dollar and local currency-financed programs.

Selected Development Activities ($825,000): A.I.D. requests $725,000 for Program Development and Support, and $100,000 for the Special Development Activities project (515-0133).

Mission Director: Daniel Chaij

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: COSTA RICA

CP 87

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
FAMILY PLANNING SELF-RELIANCE	G	515-0155	83	85	2,500	2,500	2,500	549	---	990	---	361
TOTAL FOR ACCOUNT					2,500	2,500	2,671	507	25	1,[illegible]	25	891
GRANTS					2,500	2,500	2,671	507	25	1,[illegible]	25	891
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	515-0000	72	C	---	---	181	131	50	75	50	98
HEALTH SERVICES SUPPORT	G	515-0202	83	84	250	250	250	98	---	70	---	52
HEALTH SERVICES SUPPORT	L	515-0203	83	84	10,000	10,000	10,000	193	---	4,500	---	5,307
TOTAL FOR ACCOUNT					10,250	10,250	10,431	422	50	4,645	50	5,457
GRANTS					250	250	431	229	50	145	50	150
LOANS					10,000	10,000	10,000	193	---	4,500	---	5,307
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	515-0000	52	C	---	---	540	517	60	95	100	100
SCIENCE AND TECHNOLOGY	L	515-0133	79	79	2,000	2,000	2,000	1,656	---	344	---	---
POLICY PLANNING AND ADMIN IMPROVE.	G	515-0190	83	84	1,000	1,000	1,000	550	---	450	---	197
TRAINING FOR PRIVATE SECTOR DEVELOPMENT	G	515-0212	84	87	5,000	5,000	4,000	93	500	1,500	500	1,500
DEV. COMMUNITY-BASED AG. ENTERP., OPG	G	515-0224	85	85	71	71	71	60	---	11	---	---
TOTAL FOR ACCOUNT					8,071	8,071	7,511	2,681	580	2,400	600	1,797
GRANTS					6,071	6,071	5,511	1,025	580	2,056	600	1,797
LOANS					2,000	2,000	2,000	1,656	---	344	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	515-0000	52	C	---	---	2,201	1,629	745	950	725	1,030

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: COSTA RICA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	515-0000	52	C	---	---	6,598	5,190	500	820	500	540
NATURAL RESOURCES CONSERVATION		L	515-0145	79	80	8,000	8,000	8,000	5,352	---	2,648	---	---
AGRARIAN SETTLEMENT AND PRODUCTIVITY		G	515-0148	80	81	500	500	500	426	---	74	---	---
AGRARIAN SETTLEMENT AND PRODUCTIVITY		L	515-0148	80	81	9,500	9,500	9,500	5,460	---	3,500	---	540
PRIVATE SECTOR EXPORT CREDIT		L	515-0187	82	83	2,000	2,000	2,000	1,772	---	228	---	---
CREDIT UNION STRENGTHENING (PVO-U-R)		G	515-0189	82	83	600	600	600	571	---	29	---	---
NORTHERN ZONE INFRASTRUCTURE DEVELOPMENT		G	515-0191	83	83	500	500	500	235	---	140	---	125
NORTHERN ZONE INFRASTRUCTURE DEVELOPMENT		L	515-0191	83	83	14,200	14,200	14,200	1,068	---	3,000	---	4,000
PRIVATE INVESTMENT CORPORATION		L	515-0204	84	86	5,000	5,000	4,000	---	1,000	1,000	---	2,000
AGRIC. SERVICES AND UNION DEV. (PVO-U-R)		G	515-0226	85	86	250	1,000	250	181	750	600	---	219
AGRIC. DEV. COOP INTERNAT'L (PVO-U-R)		G	515-0227	85	86	200	800	200	15	600	150	---	160
PRIVATE AND VOL ORGANIZATIONS - CPG'S		G	515-9999	78	C	---	---	---	---	---	---	850	250
TOTAL FOR ACCOUNT						40,750	42,100	46,349	21,271	2,350	12,189	1,350	7,834
GRANTS						2,050	3,400	8,649	7,619	1,350	1,813	1,350	1,294
LOANS						38,700	38,700	37,700	13,652	1,000	10,376	---	6,540
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	515-0000	52	C	---	---	171	154	25	35	25	30

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: COSTA RICA

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SPECIAL DEVELOPMENT ACTIVITY FUND	G 515-0133	77	C	---	---	645	544	100	100	100	100
SCIENCE AND TECHNOLOGY	L 515-0138	79	79	2,500	2,500	2,500	2,317	---	183	---	---
NATURAL RESOURCES CONSERVATION	L 515-0140	79	80	1,800	1,800	1,800	---	---	900	---	900
ENERGY POLICY DEVELOPMENT	G 515-0175	81	83	1,000	1,000	1,000	924	---	76	---	---
PRIVATE SECTOR PRODUCTIVITY	L 515-0174	81	81	7,800	7,800	7,800	3,402	---	3,000	---	1,398
PRIVATE SECTOR EXPORT CREDIT	L 515-0187	82	83	8,000	8,000	8,000	1,747	---	3,253	---	3,000
PRIVATE SECTOR LOW-COST SHELTER	G 515-0188	83	83	300	300	300	126	---	174	---	---
POLICY PLANNING AND ADMIN IMPROVE.	G 515-0190	83	87	5,500	7,900	5,500	1,33[illegible]	---	2,500	2,400	3,000
PRIVATE INVESTMENT CORPORATION	G 515-0204	84	86	1,000	1,000	1,000	65	---	300	---	350
PRIVATE INVESTMENT CORPORATION	L 515-0204	84	86	15,000	15,000	14,750	---	250	2,000	---	2,500
INDUSTRIAL REACTIVATION	L 515-0203	86	88	---	20,950	---	---	5,000	---	9,000	2,000
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G 515-9999	85	C	---	---	---	---	1,500	300	1,750	650
TOTAL FOR ACCOUNT				42,900	66,250	45,495	12,721	7,395	13,740	13,975	14,928
GRANTS				7,800	10,200	10,645	5,255	2,145	4,404	4,975	5,130
LOANS				35,100	56,050	34,850	7,466	5,250	9,336	9,000	9,798
ECONOMIC SUPPORT FUND											
COOP BANKING SERVICES AND CREDIT	G 515-0173	83	83	500	500	500	359	---	141	---	---
ECONOMIC STABILIZATION AND RECOVERY IV	G 515-0194	85	85	160,000	160,000	160,000	147,100	---	12,900	---	---
ECONOMIC STABILIZATION AND RECOVERY V	G 515-0222	86	86	---	120,582	---	---	120,582	120,582	---	---
ECON STABILIZ AND RECOVERY VI	* G 515-0231	87	87	---	150,000	---	---	---	---	150,000	150,000

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: COSTA RICA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR ACCOUNT				160,500	431,082	160,500	147,559	120,582	133,523	150,000	150,000
GRANTS				160,500	431,082	160.500	147,559	120,582	133,523	150,000	150,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				264,971	560,253	273,057	185,456	131,482	167,522	166,000	180,907
GRANTS				179,171	453,503	188,507	162,489	125,232	142,966	157,000	159,262
LOANS				85,800	106,750	84,550	22,967	5,250	24,556	9,000	21,645

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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PROGRAM COSTA RICA

PLANNED PROGRAM SUMMARY SHEET

Title Economic Stabilization and Recovery VI	Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (in thousands of dollars) FY 87 150,000 Life of Project Funding 150,000
Number 515-0231 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act	Initial Obligation FY 87 Estimated Final Obligation FY 87 Estimated Completion Date of Project FY 88

Purpose: To assist the Government of Costa Rica (GOCR) to reduce its balance-of-payments deficit, improve external debt management, stabilize the economy, and reactivate production.

Project Description: Costa Rica and its private sector have completed the first phase of its economic recovery program --the restoration of price and exchange rate stability which had been shattered in the crisis of 1980-1982. A promising beginning has been made on long-term economic recovery. The present administration (which will complete its four-year tenure in May, 1986) can point to several economic accomplishments: inflation was reduced from more than 100 percent per annum in 1982 to less than 20 percent, real incomes and employment have improved, the exchange rate has been unified and a mini-devaluation program of exchange rate management adopted, and the non-financial public sector deficit has been reduced from about 14 percent of GDP in 1980-1982 to less than 2 percent of GDP in 1984-1985.

Even with these encouraging results, Costa Rica's external accounts continue as an area of weakness. In 1985 export earnings were reduced due to wind damage to banana plantations on the Caribbean Coast and to reduced exports of manufactured goods to Central America. In part, the latter derives from the impact of Costa Rican measures to curb the growth of its creditor position with the rest of Central America in regard to export growth. Even though new exports to markets outside of Central America have increased, the erosion of the Central American market has offset this expansion.

The essential task confronting the second-phase recovery program is the expansion of exports into new markets while maintaining the existing level of real incomes and economic stability. Given the high level of Costa Rica's external debt several more years of external assistance will be required. The Economic Support Fund (ESF) program allows the GOCR to make available to the private sector the dollar resources to finance the importation from the U.S. of essential raw materials, intermediate goods, spare parts and other inputs to maintain agricultural and industrial production. Local currencies generated by the project will be channeled, within the credit parameters of the austerity program, to (a) help meet working capital requirements of private sector entities engaged in employment-generating, productive activities, especially those which are export oriented, and (b) finance selected development activities.

Relationship of Project to A.I.D. Country Strategy: Assistance to Costa Rica to help address its macroeconomic problems will continue to form the centerpiece of USAID's strategy in Costa Rica for several more years. The resources to be provided by the project, therefore, will be central to USAID's entire program in FY 1987. They will permit USAID to move forward in its efforts to respond to the recommendations of the NBCCA regarding stabilization as an important first step to long-term growth.

Host Country and Other Donors: The IMF, the World Bank, foreign commercial banks and donor governments assisted Costa Rica during 1983-1985. This assistance has included two IMF Standby programs, a World Bank Structural Adjustment Loan and two sets of commercial bank and Paris Club reschedulings of external debt.

Beneficiaries: The project will help stabilize the economy, generate increased production, and contribute to overall economic recovery. From that can come greater employment opportunities, higher real wages, and continued growth with equity which has been the hallmark of growth in Costa Rica.

U. S. FINANCING (In thousands of dollars)				Principal Contractors or Agencies
	Obligations	Expenditures	Unliquidated	Central Bank of Costa Rica
Through September 30, 1985				
Estimated Fiscal Year 1986				
Estimated Through September 30, 1986				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	150,000		150,000	

AID 370-7 (11-85)

PROGRAM: COSTA RICA

PLANNED PROGRAM SUMMARY SHEET

Title Private Voluntary Organizations-Operational Program Grants	Funding Source	AG, RD & N 850	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 2,600 Life of Project Funding: Continuing
Number 519-9999 ☒ GRANT ☐ LOAN	☐ NEW ☒ CONTINUING	Population	ED. & HR	Sel. Act. 1,750

Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
FY 78	FY Continuing	FY Continuing

Purpose: To promote greater private voluntary agency participation in development activities which address major problems and the priority needs of the poor.

Project Description: Private Voluntary Organizations (PVOs) working in Costa Rica range from unstructured associations that support charity activities to broad-based organizations which carry out development programs involving credit, training, rural development and the organization of worker-production units. The financial crisis in Costa Rica has severely limited the ability of the PVOs to raise funds from traditional local sources. In response to this situation, A.I.D. has programmed local currency from the Economic Stabilization and Recovery programs to fund PVO activities.

While these local currency resources represent an important element of the Mission's Operational Program Grant program, there is also a need for complementary dollar resources to finance necessary foreign-exchange costs.

The PVO program acknowledges the achievements in Costa Rica in developing social service infrastructure, and concentrates on organizational/institutional problems, the development of new or revised operational approaches, and materials and equipment support. The focus of A.I.D.'s OPG support is on working with PVOs which are familiar with the country's unemployment problem as well as with the credit, productivity and marketing difficulties faced by the private sector. Projects are financed which help the poor to increase their productivity and income through credit, greater access to productive resources, technical assistance, and job training. Other OPGs help to improve overall welfare through better housing and access to social services. Specific areas where assistance is planned include agricultural cooperatives and housing for low-income urban groups and complementary support to other PVO activities funded with local currency.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. strategy framework is built around the NBCCA recommendations: economic stabilization, laying the basis for long-term growth, spreading the benefits of growth, and democracy. The PVO program contributes to the latter three: (1) it helps increase production among the poor by providing access to resources, (2) it helps mobilize private sector resources for development and complements the government's education and health service programs in selected geographic areas, and (3) it supports development of democratic organizations.

Host Country and Other Donors: The government frequently exempts PVOs from the payment of taxes and permits duty-free importation of project commodities. The PVOs continue fund-raising efforts locally and with foundations and international companies. The PVOs are expected to contribute at least 25% of the resources needed to implement the OPG projects.

Beneficiaries: The ultimate beneficiaries of the OPGs are Costa Rica's unemployed or underemployed rural and urban poor. These include members of farmer groups, urban and rural women's organizations, cooperatives, and groups organizing small enterprises.

Major Outputs	All Years
Subprojects	X
PVO Workshops	X
Trainees	X

A.I.D. Financed Inputs	($000)
Institutional Support	2,600

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	2,600	Continuing	Continuing	

EL SALVADOR

FY 87 CP ECONOMIC AND SOCIAL DATA

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COUNTRY  (519) EL SALVADOR

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*BASIC DATA*
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TOTAL POPULATION.  (THOUSANDS,MID 1985)      4,981

PER CAPITA GNP..........  (DOLLARS,1983)       710

ANNUAL PER CAPITA REAL GNP GROWTH RATE..  (1965-83) -0.2%

ANNUAL RATE OF INFLATION (1973-83) 11.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION  (1977)   5.8%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                  (1985)   TOTAL 64.5  MALE 62.6  FEMALE 66.5
                  (1970)   TOTAL 57.5  MALE 55.6  FEMALE 59.5

ADULT LITERACY RATE  (1975)   TOTAL  62%  MALE  66%  FEMALE  59%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (19'5-1984)  -2.1%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    20%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       382


                                         ARABLE LAND  YEAR
MAJOR CROP(S)                                52%    (1984)
  SUBSISTENCE  CORN ,BEANS-DRY ,RICE         48%    (1984)
  CASH  COFFEE ,RAW SUGAR ,COTTON

MAJOR AGRICULTURAL EXPORTS (1984) COFFEE ,COTTON ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS (1984) WHEAT ,OILSEEDS ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1979)    44%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1981)       434 (82)        434 (83)        485
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1981)       693 (82)        706 (83)        703
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1981)      -259 (82)       -272 (83)       -217

DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1981)  9.8% (82) 11.6% (83) 15.4%
  AS % OF GNP................. (1981)  1.9% (82)  2.3% (83)  2.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   130 (83)   180 (84)   186
  EQUIVALENT TO  1.8 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE          ,COTTON        ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  248  (1983)  286  (1984)  337
   AS % OF TOTAL EXPORTS (1981)   20% (1982)   39% (1983)   42%

MAJOR IMPORTS(1983)MACHINERY       ,INTERMED GOODS ,PETROLEUM

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  233  (1983)  290  (1984)  444
   AS % OF TOTAL IMPORTS (1981)   33% (1982)   31% (1983)   37%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -100(82)   -122(83)   -95

TRADING PARTNERS  UNITED STATES ,GUATEMALA ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    35.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)..............................(1983)    66
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....(1983)   8.9%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE.. (1970)   2.9% (1978)   2.7% (1985)  2.5%

POPULATION IN URBAN AREAS..............(1970)    39%  (1985)   43%

LIVE BIRTHS PER 1,000 POPULATION....(1970)            (1985)    34

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1980)  20.0%

POPULATION (1985) IN AGE GROUP
                (0-14YRS) 45.0% (15-64YRS) 51.8% (65+ YRS)  3.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  67

PEOPLE PER PHYSICIAN ..................(1980)  3,217

MAJOR CAUSES OF                          ,FLU & PNEUMONIA ,UNKNOWN AILMENTS
DISEASE (1979) MALARIA
DEATH.. (1977) ACUTE RESP  INFE,ACCIDENTS         ,ENTERIC DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    92%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  51%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1981)  TOTAL  84.7   MALE  84.0    FEMALE  85.3
SECONDARY.......  (1981)  TOTAL   9.3   MALE  11.2    FEMALE  10.5
POST SECONDARY..  (1980)  TOTAL   3.0   MALE   4.1    FEMALE   1.9

ENERGY PRODUCTION AS % OF CONSUMPTION ..........(1983)      18.9%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY EL SALVADOR

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	58.3	114.0	182.2	245.6	215.9	1021.6	63.0	958.6
Loans	40.4	80.0	63.8	86.6	81.2	457.5	63.0	394.5
Grants	17.9	34.0	118.4	159.0	134.7	564.1	-	564.1
a. A.I.D. and Predecessor Agencies	52.3	78.3	154.6	198.8	161.4	760.5	37.1	723.4
Loans	37.4	53.8	43.9	47.6	32.2	282.2	37.1	245.1
Grants	14.9	24.5	110.7	151.2	129.2	478.3	-	478.3
(Economic Support Fund)	9.1	44.9	115.0	140.0	120.2	429.2		
b. Food for Peace (PL 480)	5.5	33.3	27.6	46.8	54.5	204.0	2.9	201.1
Loans	3.0	26.2	19.9	39.0	49.0	135.4	2.9	132.5
Grants	2.5	9.1	7.7	7.8	5.5	68.6	-	68.6
Title I – Total Sales Agreements	3.0	26.2	19.9	39.0	49.0	135.4	2.9	132.5
Repayable in U.S. Dollars – Loans	3.0	26.2	19.9	39.0	49.0	135.4	2.9	132.5
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	2.5	9.1	7.7	7.8	5.5	68.6	-	68.6
Emerg. Relief, Econ. Develop. & World Food Program	0.5	4.2	5.5	6.2	3.7	27.4	-	27.4
Voluntary Relief Agencies	2.0	4.9	2.2	1.6	1.8	41.2	-	41.2
c. Other Economic Assistance	0.5	0.4	*	*	*	57.1	23.0	34.1
Loans	-	-	-	-	-	39.9	23.0	16.9
Grants	0.5	0.4	*	*	*	17.2	-	17.2
Peace Corps	0.5	-	-	-	-	12.7	-	12.7
Narcotics	-	-	-	-	-	-	-	-
Other	*	0.4	*	*	*	4.5	-	4.5
II. MILITARY ASSISTANCE – TOTAL	5.9	35.5	82.0	81.3	196.6	418.1	20.8	397.3
Credits or Loans	5.7	10.0	16.5	46.5	18.5	100.6	20.8	79.8
Grants	0.2	25.5	65.5	34.8	178.1	317.5	-	317.5
a. MAP Grants	*	25.0	63.5	33.5	176.8	303.7	-	303.7
b. Credit Financing – FMS	5.7	10.0	16.5	46.5	18.5	100.6	20.8	79.8
c. Military Assistance Service Funded (MASF) Grants	0.2	0.5	2.0	1.3	1.3	11.2	-	11.2
d. Transfers from Excess Stocks	-	-	-	-	-	2.5	-	2.5
e. Other Grants	-	-	-	-	-	0.1	-	0.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	64.2	149.5	264.2	326.9	412.5	1439.7	83.8	1355.9
Loans	46.1	90.0	80.3	133.1	99.7	558.1	83.8	474.3
Grants	18.1	59.5	183.9	193.8	312.8	881.6	-	881.6
Other U.S. Government Loans and Grants	0.1	-	-	-	-	24.9	28.5	3.6-
a. Export-Import Bank Loans	0.1	-	-	-	-	23.4	27.0	3.6-
b. All Other Loans	-	-	-	-	-	1.5	1.5	-

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	53.3	115.2	21.9	905.7
IBRD	0.0	0.0	0.0	215.1
IFC	0.0	0.0	0.0	1.0
IDA	0.0	0.0	0.0	25.6
IDB	52.9	114.0	21.0	634.2
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.4	0.9	0.0	22.6
OTHER-UN	0.0	0.3	0.9	7.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	171.0	228.0	564.0
Japan	0.4	1.4	19.2
Canada	1.4	1.9	13.0
Germany,Fed. Rep.	1.7	3.6	13.0
France	-	0.2	8.3
Other	4.0	2.8	17.3
Total	178.5	237.9	634.8

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

EL SALVADOR

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	21,025	18,500	-	2,525	-	-		-
Grants	351,730	13,498	6,225	12,350	9,125	25,532	285,000	-
Total	372,755 1/	31,998	6,225	14,875	9,125	25,532	285,000	-
1986								
Loans	9,500	9,500	-	-	-	-	-	-
Grants	248,643	19,970	4,673	19,250	16,455	11,250	177,045	-
Total	258,143	29,470	4,673	19,250	16,455	11,250	177,045	-
1987								
Loans	12,500	12,500	-	-	-	-	-	-
Grants	312,500	25,652	4,000	8,698	15,000	19,150	240,000	
Total	325,000	38,152	4,000	8,698	15,000	19,150	240,000	-

1/ Includes $111.108 million ($2.0 million ARDN, $4.05 million HE, $15.058 million SDA and $90.0 million ESF) from the FY 1984 Supplemental Appropriation.

FY 1987
PROGRAM HIGHLIGHTS

- Additional balance-of-payments support ($207 million in Economic Support Funds, ESF) to assist El Salvador in achieving and maintaining a 3%-4% real growth rate in CY 1987.
- Economic stabilization assistance ($29.5 million in ESF complemented by DA and $54.4 million in PL 480) through provision of foreign exchange for equipment to restore essential infrastructure and maintain these operations.
- Additional resources ($34.0 million in DA) to support economic recovery and growth through expanded capacity in sectors where a comparative advantage exists.
- Support to National Bipartisan Commission (NBCCA) recommendations ($45.0 million in DA) through A.I.D economic and social development programs, including agrarian reform and related agricultural sector programs.

EL SALVADOR

RESOURCE FLOWS

(In thousands of dollars)

Program	FY1985 (Actual)	FY1986 (Estimated)	FY1987 (Proposed)
Aid *			
Loans	46,183	41,494	10,624
Grants	215,154	346,614	343,721
Total AID	261,337	388,108	354,345
P.L. 480 **			
Title I	49,000	46,000	45,000
(of which Title III is)	(-)	(-)	(-)
Title II	3,638	4,750	7,725
Total P.L. 480	52,638	50,750	52,725
Total AID and P.L. 480	313,975	438,858	407,070

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	153,000	22,000	148,000	20,000	147,000	19,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	14,000	12,000	13,000	9,000	15,000	8.000
Non-food	35,000	15,000	16,000	7,000	18,000	8,000
Title I Total	202,000	49,000	227,000 1/	46,000 2/	241,000 3/	45,000 4/
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	6,105	1,628	7,193	1,917	11,125	2,833
Government - to - Government	9,386	2,010	13,340	2,833	23,652	4,892
Title II Total	15,491	3,638	20,533	4,750	34,777	7,725
Total P.L. 480	217,481	52,638	247,533	50,750	275,777	52,725

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

1/ Includes 50,000 metric tons undesignated commodities.
2/ Includes $10 million of undesignated commodities.
3/ Includes 61,000 metric tons undesignated commodities.
4/ Includes $10,000 million of undesignated commodities.

EL SALVADOR

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	37	35	35
PASA[b]	1	1	1
TOTAL	38	36	36

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	9	81	90	9	241	250	8	126	134
Regional[e]	74	289	363	100	312	412	259	533	792
TOTAL	83	370	453	109	553	662	267	659	926

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	27	27	-	103	103	-	74	74
Regional[e]	-	-					-	-	
TOTAL		27	27		103	103		74	74

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

EL SALVADOR

Development Overview

El Salvador is in the midst of a savage guerrilla insurgency, the origins of which are economic, political and social. Historically, El Salvador has exhibited a highly skewed distribution of wealth and political power. Until recently, the majority were denied meaningful participation in the political process and the economy. External forces have exploited historical inequities and are supporting the insurgency to thwart the present government's effort to consolidate a democratic system.

By 1979, political disenfranchisement and the perception of social injustice had brought El Salvador to the brink of anarchy. A military junta seized power in 1979, followed in 1980 by a junta of officers and Christian Democrats that initiated reforms to prevent political collapse and altered the land tenure, banking and agricultural export systems. Violence increased, however, resulting in protracted civil conflict exploited and supported by external forces. The severe economic consequences include a loss of investor confidence, disruption of commerce and public services, and destruction of infrastructure and physical plants. Massive numbers of Salvadorans were left homeless and jobless. The result was economic crisis. From 1979 through 1983, the country experienced a 23% reduction in real GDP. Exports declined 34.3%, unemployment rose, capital was transferred out of the country, and private investment fell by 52%. Today some improvement has taken place in its dialogue with the private sector, but the GOES has still to create an environment conducive to investment and economic growth.

El Salvador is making progress toward a democratic system of government and is defending itself against a communist insurgency. A popularly elected president in 1984, and elections of a National Assembly and municipal authorities in 1985, moved the country from a military to a democratic government. Despite the war, the constitutionally elected president has been able to exercise control over the government and sustain the momentum of democratic growth by gaining military acceptance of his role as commander-in-chief and by gaining political support in the United States, Europe and Latin America. A concerted war offensive has been initiated and economic decline has been arrested. A more professional and better-equipped military has seized the initiative and forced the guerrillas to shift from large-scale attacks to the small-scale activity and occasional major assault pattern of the early 1980s. Guerrillas' sabotage of economic infrastructure is a major element of the insurgent strategy and impacts directly on private sector growth and foreign investment.

To restore economic growth, the government must provide a favorable environment for the private sector to stimulate traditional exports and develop new products for export. The establishment by the government of adequate economic policies which control inflation and provide incentives to the private sector is essential. In January 1986 President Duarte announced an economic stabilization package which, if fully implemented, will help move the economy toward stabilization in 1986 and growth in 1987. But the government also needs to consolidate agrarian reform, restore stability to the agricultural sector, and make continued progress in improvement of the judicial system. It must also address the country's basic human needs. El Salvador is one of the poorest countries in Latin America, with high population growth and illiteracy rates, and poor health and housing conditions. The new democratic government in El Salvador must show that it can meet these basic needs to counter the insurgents' propaganda.

U.S. Interests and Objectives. The principal interest of the United States in El Salvador is the attainment of peace and political stability within a democratic framework. El Salvador's political and economic problems are of great concern. The spillover of refugees affects the United States directly. More important, the outcome of the struggle in El Salvador -- an ideological conflict between a communist-dominated system and economic and political freedom -- will continue to have repercussions on the evolution of democracy throughout Central America.

A.I.D. Development Strategy. A.I.D.'s development strategy in El Salvador, pursuant to the recommendations of the National Bipartisan Commission on Central America (NBCCA), is to apply U.S. economic assistance to achieve four principal goals: (1) stabilize and reactivate the economy, (2) achieve economic recovery and sustained growth, (3) broaden the benefits of growth to reach the poor, and (4) improve democratic institutions and human rights.

1. Economic Stabilization. The first goal is to help El Salvador maintain a modicum of social and economic stability. The steep decline in real GDP has been reversed as the economy grew by 1.5% in 1984. In per capita terms, however, there was a further decline of about 1.4%, assuming a natural population growth rate of 2.9%. In 1986, the Government of El Salvador (GOES) will implement a recently announced economic stabilization program, the main elements of which are unification of the official and parallel exchange rates, elimination of the fiscal deficit, limiting monetary and credit expansion, raising interest rates, stimulation of exports and production, and raising public and private sector wages. Management will be the key to success, and the government must ensure that the exchange rate reflects market realities. Support from the private sector, labor and the military are necessary in the battle against growing balance-of-payments deficits and inflation. A.I.D. support for the government's stabilization efforts is through five major programs: (1) balance-of-payments support to finance essential imports, (2) restoration of public services, (3) economic reintegration of displaced persons, (4) employment creation, and (5) reactivation of former conflict areas under a coordinated National Plan.

Balance of Payments. El Salvador's economy depends on imports. Before the economic and war crises, imports of goods and non-factor services were

44.1% of GDP. As a result of the growing scarcity of foreign exchange, imports declined to 24.7% of GDP in 1985. Economic recovery has been hindered by the steep decline in import availability. The A.I.D. balance-of-payments program helps by making foreign exchange available for import of raw materials and capital goods and by supporting GOES policy changes to bring about sustained growth.

El Salvador imports large quantities of agricultural commodities from the United States under the P.L. 480 Title I program, without which it would be hard pressed to import foodstuffs commercially. Local currencies generated under joint P.L. 480 Title I agreements are programmed for agricultural and rural development projects.

A.I.D.'s long-term objective is to eliminate the need for balance-of-payments financing. Short-term objectives are to accelerate real GDP growth beyond the 2.9% population growth rate, help the GOES bring fiscal and balance of-payments deficits into line, and strengthen macroeconomic policies.

Restoration of Public Services. The guerrillas destabilize the economy by disrupting economic infrastructure. They have destroyed 1,000 high-tension electrical towers, sabotaged the National Railroad, and damaged or destroyed 78 major bridge structures and other expensive equipment and machinery. They have disrupted water, electric and telephone services. Restoration of these services requires importing replacement parts and equipment with scarce foreign exchange. A.I.D.'s support allows rapid restoration of services and maintenance of vital public services, and reduces outages to a minimum.

A.I.D. assistance allows GOES agencies to react quickly with temporary repairs when damage occurs. As the conflict scales down, the GOES may need U.S. assistance for a more permanent, labor-intensive reconstruction program.

Displaced Persons. The number of persons displaced by the conflict rose from 25,000 in 1980 to about 550,000 in 1985 (11% of the population). The GOES still lacks all the resources to meet the employment, health and food needs of these people. Land scarcity precludes resettling large numbers in new areas. Intermediate objectives are the continued creation of 16,000-18,000 temporary jobs per month for 85,000 persons; expansion of curative health services; provision of daily food assistance to 300,000 people; reduction of malnutrition; and provision of credit, shelter, construction, basic tools and equipment. A.I.D.'s long-term objective is to help El Salvador reintegrate its displaced population into the economy.

Employment. Nearly 40%-50% of the eligible population is unemployed or underemployed. In 1980 the GOES initiated an emergency employment program, and for the past five years United States dollar grants and associated GOES-owned local currency have contributed to economic stabilization and a modest recovery. Over 2,200 completed projects (roads, schools, bridges, health centers, irrigation structures, soil conservation, water management systems) have generated 12.5 million person-days of work. A.I.D.'s long-term objective is a private-sector economy that can absorb the eligible workforce. Short-term objectives are to generate employment with farm-to-market road improvements and irrigation works; expand exports and attract new industry; and create employment in support of the National Plan, resettlement of refugees, agrarian reform and housing improvements.

National Plan. By early 1983 it was clear that military efforts alone were not sufficient to win the war. GOES policy makers mapped out a strategy to restore and strengthen civil authority in guerrilla-affected areas. The National Plan called for military action to eliminate the guerrillas, followed by GOES civilian efforts to strengthen local authorities and restore essential services. The GOES reinforced the Plan's coordinating entity, the National Commission (CONARA), and in 1985 the Plan was extended nationwide.

A.I.D.'s long-term objective is to help strengthen local government in former conflict areas and encourage a transfer of leadership from military to civilian authorities. In the short term, A.I.D. continues to assist GOES efforts to re-establish civil government, implement small projects, and train local authorities in public management.

2. Economic Recovery and Growth. A.I.D.'s second development goal is to accelerate economic growth and diversify the economy. In the industrial sector, growth for 1985 was 1.5%. Agricultural output, which declined by a cumulative 19% since 1980, grew by 1.2% in 1984 and 1.6% in 1985. The turnaround is attributable to positive private-sector expectations manifested in higher levels of savings and investment, increased consumer demand, good weather, and U.S. economic assistance. With the economy beginning to stabilize, growth and diversification must be emphasized. A.I.D. will assist three major programs: industrial recovery, agricultural recovery, and private sector support.

Industrial Recovery. Notwithstanding the sector's potential, severe constraints exist which affect recovery and growth: lack of foreign exchange and credit; lack of certain needed legislation; damaged infrastructure; and risk of guerrilla harassment. The government must make an effort to provide an environment conducive to private sector growth and investment.

A.I.D.'s long-term objectives are to stimulate private sector employment to match new labor force entrants, and to increase foreign exchange earnings, domestic and foreign investment, and per capita income. In the near term, A.I.D. will attempt to stimulate investment and production in re-export industries, encourage the GOES to support export-led economic reactivation; and promote incentives to increase private-sector participation in the economy.

Agricultural Recovery. Agriculture accounts for 25% of El Salvador's GDP and over 50% of employment. During the late 1970s, agricultural and food production rose rapidly, and exports grew. By 1985, however, agricultural output declined because of the war, unfavorable world prices, exchange rate constraints, and inadequate support services. The GOES is promoting

3. Broadening the Benefits of Growth. To implement the NBCCA recommendations, A.I.D. is supporting agrarian reform, community development, health, family planning services, education, and scholarship opportunities.

Agrarian Reform. The agrarian reform was designed to change the land tenure pattern and stem the radicalization of the rural poor. It is expected to alter the social structure, widen the political base and expand economic opportunity. The reform's three phases affect 80% of the rural poor and 33% of the farm land. The GOES has already transferred land to 317 cooperatives, benefitting some 31,549 individuals (Phase I), and has granted 240,054 acres to some 63,668 previous renters and sharecroppers (Phase III). It has not yet initiated actions to reassign properties over 605 acres (Phase II).

Local reform has been hampered in several ways. Land was expropriated from large land owners without the means for compensation, a problem not yet fully resolved. The titling process has been slow and complex. Beneficiaries' needs for credit, technical assistance, and professional management expertise exceed the capacity of the Government. Beneficiary rights have not been defined clearly, and the reform debt is enormous. A.I.D.'s long-term objective is to consolidate the agrarian reform and non-reform sectors into a productive agricultural economy.

Community and Housing Development. Demand for housing has increased dramatically as a result of war-related, rural-to-urban migration and the agrarian reform. Demand is projected at 40,000 new units for 1986, in contrast to an annual average rate of 11,000 units for 1979-1983. The GOES wants to increase rural housing, coordinate financial and service institutions involved in low-cost housing, establish a coordinating unit to direct community upgrading programs, and adopt sound housing-related policies.

A.I.D.'s objective is to help meet the shelter needs of poor and displaced families. A.I.D. targets the poorest population, and attempts to improve planning and financial capacity, capitalize a low-income housing program, and maximize the use of private construction and PVO-management resources.

Health. Malnutrition is widespread, accompanied by a high death rate for children under five and high general morbidity. The insurgency has disrupted health services and destroyed health facilities. A.I.D. is assisting the Government--directly and through PVOs--to arrest the deterioration of basic health care services. A.I.D. is financing essential drugs, pharmaceuticals, medical supplies and equipment without which the GOES would be unable to maintain its health care delivery system.

A.I.D. is also helping the Ministry of Health improve logistics and supply systems, particularly procurement and distribution of pharmaceuticals. A.I.D. plans further corrective action to resolve the management problems that have contributed to delays in commodity deliveries in the past. A study of A.I.D.'s management of health sector assistance is also planned, to improve financial controls and increase cost effectiveness.

agricultural recovery in its new five-year plan, to ensure food security, provide incentives for investment in diversified agriculture and agro-industry, and stimulate agricultural exports and import substitutes.

A.I.D.'s long-term objective is to assist in achieving a 4% sustainable real growth rate in agricultural production by increasing the cultivated area to 1978-1979 levels. This objective will not be achievable until the war ends, private investment increases, and public investment is sufficient. A.I.D.'s short-term objectives are to increase cultivated acreage by 10% during the 1986-1987 crop year and to raise the production per acre by 2% over the 1985-1986 crop year. A.I.D. will support GOES credit expansion, agribusiness promotion, on-farm water management and agricultural technology efforts.

Private Sector Support. Because of the war, private sector investment has been very modest since 1982. To stimulate recovery, A.I.D. works with the Salvadoran private sector to promote investment in new export markets outside Central America. Private-sector credit has become increasingly scarce, declining from 83% of total available credit in the years before 1980 to 32% in 1979-1985. Contributing factors include GOES demand for resources to meet emergency needs, the complexity of the credit system, and the inability of local insurance companies to obtain international reinsurance.

A.I.D.'s long-term objective is to help El Salvador strengthen investment in nontraditional exports. This can be done by the development of a responsive credit delivery system, by providing access to foreign exchange, and by strengthening private sector associations. In the short-term, A.I.D. assists El Salvador to insure the availability of credit resources, particularly to the private sector; develop credit facilities; streamline the existing credit system; and establish innovative financial mechanisms (e.g. terrorism insurance) to increase domestic private-sector investment. A.I.D. makes a special effort to develop and support the small business sector.

To promote private investment A.I.D. supports FUSADES, the Salvadoran Foundation for Economic and Social Development, which brings together the experience and skills of 200 Salvadoran business professionals. A.I.D. has also provided a $1 million three-year grant to El Salvador's Junior Achievement Program.

Other measures are needed to improve relations between the GOES and the private sector, generate increased investor confidence, and stimulate investment and production. The Legislative Assembly recently amended a law allowing foreign banks to operate permanently in El Salvador. An export promotion law, part of the GOES stabilization program, is expected to be approved by the Legislative Assembly very soon. A complementary investment promotion law is being drafted. Major export trade remains under government control, however, and the GOES has more recently moved to take over two private electric companies when their franchise expires.

Family Planning. El Salvador's rapidly growing population (2.9% annual growth rate) exerts pressure on already overcrowded land. Rural and urban fertility rates are 5.6 and 4.3 children per woman, respectively. The consequences are poor nutrition of pregnant mothers, higher risk of maternal death during or before delivery, low-birth-weight babies, and greater risk of infant mortality. A.I.D.'s objective is to increase informed freedom of choice for prospective practitioners of family planning and to improve family planning services.

Education. As a result of the war, 1,000 schools have been abandoned, the number of teachers has declined, and over 650,000 children in grades 1-6 are not in school. Vocational training faces a shortage of qualified instructors. There is no linkage between GOES vocational training institutions and private companies. In primary education, the GOES' objective is to restore the system to pre-conflict levels, with the emphasis on classroom renovation, provision of textbooks, school furniture and teacher training. A.I.D. seeks to support these objectives.

Scholarships. Begun in 1985, the Central American Peace Scholarships program (CAPS) has promoted the progressive, balanced and pluralistic development of El Salvador by exposing potential leaders to U.S. institutions and democratic values, by increasing educational opportunities for disadvantaged groups, and by countering the Soviet Bloc's investment in scholarships. CAPS will increase the number of people from among El Salvador's low-income groups trained in broad-based leadership and technical skills. Under CAPS, 2,400 people will be sent to the United States (1985-1989) for specialized technical and long-term academic training. By the end of 1985, 368 Salvadorans were in the United States for training, including 290 for short-term training in areas such as water and farm management and rural credit analysis. Others received specialized training in business and technical skills. The balance are in the United States for long-term academic study in economics, business administration, agronomy and engineering.

4. Democratic Institutions and Human Rights. In 1984, Salvadorans elected their first civilian president in over 50 years. With the successful National Assembly and municipal elections in 1985, Salvadorans have chosen officials at every level of government. A.I.D. will continue to support GOES initiatives in judicial reform, elections and political development. A.I.D. will also endeavor to strengthen labor organizations, the Human Rights Commission and local government.

Judicial Reform. The criminal justice system deteriorated during the civil conflict. The inability to adjudicate cases resulted in increased personal violence. Failure to try and convict those charged in murder and kidnapping cases caused Salvadorans to lose respect for the law. This failure was attributable to a shortage of evidence-gathering resources and to poorly trained investigative personnel, and an over-reliance on confessions as the principal evidence. A.I.D.'s objective is to help El Salvador strengthen its criminal justice system. Begun in FY 1984, A.I.D.'s Judicial Reform project attempts to build confidence in the Salvadoran civil and criminal justice systems, assure expeditious and competent investigation and prosecution of crime, and protect innocent people from prosecution while maintaining guarantees of equal protection under the law.

Elections and Other Political Development. A.I.D. contributed to the success of the 1984 and 1985 elections by institutionalizing an automated electoral registry system and by arranging for international election observers. A.I.D.'s objective is to build confidence in the integrity of the electoral process. A.I.D. will finance electoral registry maintenance and institutional requirements, training and civic awareness programs, refined voter registration lists, and a national voter registration card program.

Labor Organizations. A.I.D. believes that organized labor in El Salvador can have a positive impact on the democratic process. The potential role of labor is enhanced by President Duarte's commitment to a free trade union movement. A.I.D. supports democratic labor union activities in El Salvador through the American Institute for Free Labor Development (AIFLD), which has concentrated on supporting agrarian reform and strengthening the rural labor movement. A.I.D. will continue to support AIFLD efforts to strengthen labor unions at the national level, improve urban trade unions, support agrarian reform beneficiaries, and develop rural labor organizations.

Human Rights Commission. The Human Rights Commission of El Salvador, established in August 1983, has given Salvadorans a means of communicating their suspicions of abuse by government forces or guerrillas without fear of retribution. A.I.D.'s objective is to increase awareness of human rights issues among Salvadorans. A.I.D. assistance serves to enhance sensitivity to human rights and to make known proper methods of recourse should human rights violations occur.

A.I.D Program (FY 1985 and FY 1986)

In response to many of the NBCCA recommendations, the A.I.D. assistance program obligated $430.2 million in FY 1985 -- $285.0 million in ESF (including a $90.0 million FY 1984 supplemental), $87.7 million in Development Assistance (DA) (including $21.1 million from the FY 1984 supplemental), $57.8 million in P.L. 480 resources, and $274.0 million equivalent in associated GOES-owned local currency. In FY 1986, A.I.D. will commit $177.1 million in ESF, $81.1 million in DA, and $53.9 million in P.L. 480 resources. Local currency generations of $226.0 million are also available.

Economic Stabilization. During FY 1985, $267.5 million (including $86.5 million from the FY 1984 supplemental) in ESF were channelled into El Salvador's economy through the Private Sector Support I (519-0267), Balance of Payments Support (519-0310), Public Services Restoration (519-0279) and Health and Jobs for Displaced Families (519-0281) projects. Combined with $57.8 million in P.L. 480 Title I and Title II commodities and $20.2 million in DA, these funds supported A.I.D.'s economic stabilization effort. In 1985, ESF balance-of-payments dollar disbursements provided the

GOES with sufficient foreign exchange to allow it to finance: 45% of its imports of raw materials, capital and intermediate goods and services; about 25% of public sector expenditures; and 200,000 full-time jobs. The result was a second consecutive year of modest 1.5% growth in real GDP, the same rate as in 1984. ESF Balance of Payments Support helped the GOES finance its foreign exchange and public sector expenditures. Private Sector Support I provided foreign exchange for critical private sector imports, and the P.L. 480 Title I Sales Program provided food commodities on a concessional basis. The Commodity Credit Corporation (CCC) Guaranty Program guaranteed $21.0 million of loans to Salvadoran importers for the purchase of US agricultural products. Equally important, $274.0 million in local currency generations alleviated GOES budget constraints while financing an estimated 82 key rehabilitation and development activities. The Public Service Restoration project helped the GOES finance foreign exchange costs for equipment, materials and services required to maintain and repair guerrilla-damaged transport, power and communications infrastructure and services.

The Health and Jobs for Displaced Families project financed vaccinations for 200,000 persons, food subsistence for 300,000, curative health services for 40,000 displaced persons, employment programs providing 16,000 jobs per month, and various relief activities of US and local PVOs. P.L. 480 Title II activities included a food-for-work program targetted on 82,000 urban poor and emergency relief in conflicted war areas. The Public Sector Employment Program (519-0256), funded with local currency, generated some 7,500 jobs per month, financed over 400 infrastructure projects and helped support agrarian reform. In support of the National Plan, P.L. 480 and ESF-related local currency funded GOES civilian emergency civic action and follow-on rehabilitation activities in areas recovered from guerrilla control. Over 160 schools were reopened, 22 health posts were refurbished, 6,000 temporary jobs created, and over 150 public service projects completed.

In FY 1986, A.I.D. will commit $6.5 million in DA, $170.0 million in ESF and $53.8 in P.L. 480 commodities for economic stabilization objectives through three ongoing projects, including $147.1 million for Balance of Payments Support (519-0310) and $226.0 million in local currency generations.

Economic Recovery and Growth. In FY 1985, $18.2 million in DA and ESF were used to finance technical assistance for export market development and economic planning; communications facilities for export markets; credit for small businesses, and the infrastructure necessary for increased agricultural diversification and production. A.I.D. funded four priority economic recovery projects. The Industrial Stabilization and Recovery Project (519-0287) is developing the capacity of El Salvador's private and public sectors to export nontraditional products. In the private sector, the trade and investment promotion service of the Salvadoran Foundation for Economic and Social Development (FUSADES) was expanded in response to recommendations of the Caribbean Basin Initiative. A.I.D. funded the development of nontraditional exports, the administrative and local support mechanisms necessary for private investment and exports, and the development of free trade zones. The Small Farm Irrigation Systems (519-0184) increased production in agrarian reform areas. Agricultural infrastructure projects included 36 small irrigation systems, 300 kms. of farm-to-market roads, and 30 reforestation activities. In the private sector, operational program grants (OPGs) to the International Executive Service Corps (IESC) (519-0302) and to FUSADES Urban Small Business (519-0304) enabled small business to expand and increased employment. The Youth Entrepreneurial Development (519-0311) funded basic business management workshops highlighting the free enterprise system. FUSADES' Association Strengthening Program (519-0316) provided technical and financial assistance to enhance the service outreach of several business associations. Reform and Policy Planning (519-0260) funded GOES efforts to adopt and implement new macroeconomic and sectoral policies. Finally, the Small Producer Development Project (519-0229) made 20,000 loans totalling $24.0 million in local currency to small enterprises, established $10.0 million in new credit lines, and trained 20,000 small businessmen.

In FY 1986, A.I.D. will commit $33.8 million in DA and ESF for seven ongoing and one new economic recovery projects. The ongoing Industrial Stabilization Recovery project (519-0287) is developing Salvadoran nontraditional export products by strengthening the new Trade and Investment Promotion Service (TIPS). The Water Management project (519-0303), authorized in FY 1985, will provide technical assistance and training to public and private sector agencies in irrigation planning and extension services, as well as extend credit to small farmer entrepreneurs interested in export markets. The new project, Agrarian Reform Sector Financing (519-0307), will channel agricultural production and investment resources to small farmers, especially those in agrarian reform areas.

Broadening the Benefits of Growth. In FY 1985, $52.9 million in DA was committed to economic and social development activities in order to increase participation of the poor in the national economy. Funds were used to arrest the deterioration of social services, to provide emergency relief to displaced persons, and to upgrade rural community infrastructure. A.I.D. funds were committed for six important projects. The Agrarian Reform Sector Support Project (519-0265) helps the GOES accelerate the land titling process, provide services to agrarian reform beneficiaries and begin pilot agribusiness efforts. Three hundred professional managers and accountants were placed on 300 Phase I cooperative farms and titles were provided to 99 cooperatives. Claims filed by evicted beneficiaries were resolved, and rural union beneficiaries were encouraged to make overdue land payments. Agrarian Reform Credit (519-0263) provides production credit to agrarian reform small farmer beneficiaries and credit for rescheduling delinquent debt. TECHNOSERVE's Rural Small Enterprise and Cooperative Development (519-0286) OPG helps to improve cooperative farm management and the entire Salvadoran cooperative movement. In the community development program, $10.0 million in local currency required under Private Sector Support I (519-0267) went into housing. These funds, complemented by Housing Guaranty resources, were earmarked to upgrade marginal communities by providing public services and funding low-cost housing. The Health Systems Vitalization Project (519-0291) continued to provide pharmaceuticals and medical supplies to prevent deterioration of health service in the face of the conflict and tight budgetary constraints, and to support malaria control and emergency medical services.

The Education Systems Revitalization project (519-0295) attempts to restore education services to pre-conflict levels. The project calls for construction of 400 and renovation of 2,400 classrooms, establishment of a nationwide school maintenance and conservation system, printing and distribution of 3.5 million textbooks, and the provision of school furnishings. The Central American Peace Scholarship Program (CAPS) (597-0001) placed 289 short-term and 78 long-term scholars in the United States in the last half of FY 1985. A.I.D.-assisted family planning activities of the Salvadoran Demographic Association (519-0275) and the Ministry of Health Population Dynamics project (519-0210), have helped increase family planning prevalence among women in union to 46% from 34% in 1978.

In FY 1986, $41.5 million is programmed for eight ongoing and the following two new projects. First, TECHNOSERVE (519-0312), a follow-on to the Rural Small Enterprise and Cooperative (519-0286) project, will strengthen agrarian reform enterprises and cooperatives. Second, Health Systems Management Improvement (519-0308) will continue to arrest the deterioration of health services coverage in rural areas and improve health management and planning with an initial $12.0 million. Emphasis will be on providing essential medicines to rural health clinics; improving logistics capability; upgrading procurement systems and identifying measures for greater cost effectiveness. Under the CAPS program, $6.0 million will be provided to fund 80 long-term and 300 short-term scholarships.

Democratic Institutions and Human Rights. In FY 1985, A.I.D. committed $8.0 in DA and ESF for strengthening institutions basic to the democratic process in El Salvador. The Judicial Reform Project (519-0296) is attempting to upgrade the criminal justice system and to provide equal, effective protection. Under this project the new Reform Commission and Judiciary Protection Unit have been established, as well as a criminal investigative forensic laboratory and a Special Investigations Commission. The Salvadoran Elections (519-0293) contributed to the successful National Assembly and municipal elections in March 1985. A.I.D. will continue to help improve the electoral system in preparation for the 1988 presidential elections by using P.L. 480-generated local currency. In the labor organization program, the AIFLD OPG (519-0289) promotes democratic labor unions and provides skills and leadership training to improve community leadership and support agrarian reform consolidation. Finally, ESF-associated local currency will fund the operation and expansion of the Human Rights Commission, which is charged with investigating reported human rights violations, including missing persons cases.

In FY 1986, a new OPG with AIFLD (519-9999) will provide continuity in promoting democratic labor unions.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to

Latin America and the Caribbean. The following supplemental information on assistance to El Salvador in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from El Salvador in the fields of agriculture, education, health, private sector development and employment generation.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to El Salvador are as follows:

Types of Goods	Value
Raw Materials	$ 4.60 million
Intermediate Goods	22.80 million
Capital Goods	15.90 million
Spare Parts	.30 million
Agricultural Inputs	7.00 million
Petroleum	49.00 million
Total	$99.60 million

C. Local currency associated with A.I.D. assistance to El Salvador was allocated by A.I.D. and the Government of El Salvador for the following uses in FY 1985. (There was a total of $71 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $274 million was added during FY 1985.):

Economic Stabilization (Public Service Restoration; Displaced Persons)	$130.00 million
Economic Recovery (Other Donor Counterpart: Agricultural Development Credit	138.00 million
Broadening Benefits of Poor (Agricultural Reform Support; Education)	50.00 million
Democratic Initiatives	2.00 million
Reserve Fund	
Trust Fund (GOES-A.I.D.)	25.00 million
Total	$345.00 million

D. Reprogramming of funds for El Salvador during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1985 Obligations	378,000	31,000	6,225	14,875	15,425	25,475	285,000
- Actual FY 1985 Obligations	372,755	31,998	6,225	14,875	9,125	25,532	285,000

E. Funds and Programs provided to El Salvador in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of El Salvador
DA	$24.7 million (27%)	$ 66.00 million (73%)
ESF	4.7 million (1.7%)	280.00 million (98.3%)
P.L. 480 Title I	- 0 -	49.00 million (100%)
P.L. 480 Title II	7.1 million (100%)	- 0 -
Total	$36.5 million (8.5%)	$395.00 million (91.5%)

A.I.D. Requested Year Program (FY 1987).

For El Salvador in FY 1987, A.I.D. requests $240.0 million in ESF, $85.0 million in DA and $54.4 million in P.L. 480 to build upon the economic stabilization and political progress thus far achieved and to achieve the economic, social and political recovery essential to long-term stability. Housing Guaranty resources of $10.0 million, Commodity Credit Corporation and Trade Credit Guaranty activities complement A.I.D.'s core program, which is summarized below by major goal.

Economic Stabilization. In FY 1987, $240.0 million in ESF is needed to fund the ongoing Public Service Restoration (519-0279), Health and Jobs for Displaced Families (519-0281), Industrial Stabilization and Recovery (519-0287) and Balance of Payments Support (519-0310) projects.

ESF resources of $207.0 million under the Balance of Payments project (519-0310) are needed to achieve and maintain a 3%-4% real growth rate in CY 1987. Together with $54.4 million in P.L. 480 commodities, and CCC and HG guaranties, these resources will help the country import vital agricultural commodities and industrial and commercial capital goods.

The DA program will also help improve El Salvador's balance of payments situation and thus enhance the country's credibility in international financial markets. Under the Public Service Restoration (519-0279) project, $15.0 million in ESF will provide foreign exchange to buy equipment essential to restoration and maintenance of infrastructure. Local currency derived from the P.L. 480 and ESF programs will contribute to A.I.D.'s stabilization objective by raising employment levels and by directing productive resources to the country to increase its production under the National Plan.

Economic Recovery and Growth. In FY 1987, $34.0 million in DA and $8.0 million in ESF is needed to help El Salvador increase production efficiency and expand capacity in sectors where a comparative advantage exists. ESF funds of $8.0 million for the Industrial Stabilization and Recovery project (519-0287) will be used for third-year costs of a development finance company providing financial and technical support to Salvadoran entrepreneurs for new investments in nontraditional exports. An additional $14.3 million under Agrarian Reform Sector Financing (519-0307) will strengthen a credit facility through which farmers can borrow money to purchase land for sale under Phase II of the agrarian reform. In FY 1987, A.I.D. will provide $5.0 million for the Small Business Assistance project (519-0318), to coordinate technical assistance, training and credit for small and micro businesses. Finally, the GOES will allocate local currencies required under ESF for the expansion of private sector credit and to promote increased exports. In the process, A.I.D. will help credit institutions become more responsive to the needs of small-scale borrowers. In the agriculture sector, GOES-owned local currency will increase credit to small farmers, while the self-help measures included in A.I.D.'s P.L. 480 transfer agreements will attempt to shape policies conducive to expansion of nontraditional agricultural exports.

Broadening the Benefits of Growth. In FY 1987, $45.0 million in DA is needed to address NBCCA recommendations for economic and social development. In agrarian reform, $12.5 million in DA plus P.L. 480 local currency generations will continue to support Agrarian Reform Sector Support (519-0265) in the consolidation of the agrarian reform. A.I.D. will also support US PVO efforts to strengthen the institutions which serve small farmer and cooperative landowners.

In health, A.I.D. requests $8.5 million for the ongoing Health Systems Management Improvement (519-0308), and Save the Children OPG. In family planning, $2.0 million is needed for Salvadoran Demographic Association (519-0275) OPG activities. In education, $9.6 million is needed for the ongoing Education Systems Revitalization (519-0295) and $5.0 million for the new Vocational Technical Education projects (519-0315), which implements NBCCA recommendations to promote vocational/technical training responsive to labor market needs. A.I.D. will provide $500,000 for Local Training Management Development (519-9999) to develop managerial skills of a local PVO to administer participant training programs. Finally, the A.I.D. regionally-funded CAPS Scholarships Program (597-0001) will require $8.0 million in its third-year of operation in order to place 533 long-term and 75 short-term participant trainees in the United States.

Democratic Institutions and Human Rights. A.I.D. requests $7.5 million for the ongoing AIFLD OPG (519-9999) and the new Local Government Strengthening (519-0301) projects. The latter will help the GOES gradually shift authority and responsibility for public services and development to regional and local governments, which will be supported by appropriate planning and management training and by U.S. technical assistance. A.I.D. expects that the GOES will direct local currency required under ESF projects to the maintenance of the computerized electoral registry developed under the Salvadoran Elections project (519-0293), for counterpart obligations under the ongoing Judicial Reform project (519-0296), and to enhance the regional operations of the Salvadoran Human Rights Commission. These three activities will help prepare El Salvador for its presidential election in mid-1988.

Mission Director: Robin Gomez

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: EL SALVADOR

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT - ARDN	G 519-0167	74	C	---	---	2,097	1,519	400	760	450	475
SMALL FARM IRRIGATION SYSTEMS	L 519-0184	78	79	2,300	2,300	2,300	2,063	---	113	---	124
SMALL PRODUCER DEVELOPMENT	G 519-0229	80	85	750	750	750	596	---	154	---	---
SMALL PRODUCER DEVELOPMENT	L 519-0229	80	85	7,000	7,000	7,000	5,503	---	1,497	---	---
AGRARIAN REFORM ORGANIZATION	L 519-0262	80	83	11,750	11,750	11,750	10,763	---	987	---	---
AGRARIAN REFORM CREDIT	G 519-0263	80	86	4,325	4,325	4,325	2,198	---	1,460	---	650
AGRARIAN REFORM CREDIT	L 519-0263	80	85	81,500	81,500	81,500	71,980	---	9,018	---	500
AGRARIAN REFORM SECTOR SUPPORT	G 519-0265	83	87	7,200	7,200	7,200	3,458	---	3,742	---	---
AGRARIAN REFORM SECTOR SUPPORT	L 519-0265	83	87	30,000	44,000	22,000	14,601	9,500	16,343	12,500	10,000
RURAL SMALL ENTERPRISE DEVELOPMENT-OPG	G 519-0286	82	85	3,250	3,250	3,250	1,872	---	1,378	---	---
AGRARIAN REFORM - AIFLD, OPG	G 519-0239	85	86	3,000	3,000	2,000	---	1,000	1,500	---	1,500
SAVE THE CHILDREN - OPG	G 519-0300	85	88	600	2,600	600	277	1,300	1,400	---	223
WATER MANAGEMENT	G 519-0303	85	88	18,744	18,744	3,500	---	8,220	9,800	6,910	7,780
AGRARIAN REFORM SECTOR FINANCING	G 519-0307	86	89	---	50,000	---	---	8,000	1,000	14,292	19,000
PRIVATE AND VOL. ORGANIZATIONS, OPG	G 519-9999	79	C	---	---	---	---	1,050	550	4,000	650
TOTAL FOR ACCOUNT				170,419	236,419	148,272	114,932	29,470	49,702	38,152	40,902
GRANTS				37,869	89,869	23,722	9,920	19,970	21,744	25,652	30,278
LOANS				132,550	146,550	124,550	104,912	9,500	27,958	12,500	10,624
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT - POP	G 519-0181	74	C	---	---	418	305	100	180	98	85

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of Final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: EL SALVADOR

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG-ATIONS	-THROUGH FY85- EXPENDI-TURES	-ESTIMATED FY86- OBLIG-ATIONS	-ESTIMATED FY86- EXPENDI-TURES	-PROPOSED FY87- OBLIG-ATIONS	-PROPOSED FY87- EXPENDI-TURES
POPULATION DYNAMICS	G	519-0210	85	87	10,000	[illegible]	---	---	4,[illegible]	3,[illegible]	1,902	3,500
SALVADORAN DEMOGRAPHIC ASSOCIATION OPG	G	519-0275	79	87	9,615	11,603	9,6[illegible]	[illegible]	---	2,400	2,000	2,500
TOTAL FOR ACCOUNT					19,615	21,613	10,[illegible]	7,[illegible]	4,[illegible]	5,[illegible]	4,000	6,085
GRANTS					19,615	21,603	10,[illegible]	7,[illegible]	4,[illegible]	5,[illegible]	4,000	6,085
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT - HE	G	519-0000	74	C	---	---	1,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	150
HEALTH/JOBS FOR DISPLACED PERSONS	G	519-0281	82	88	1,000	3,[illegible]	1,[illegible]	[illegible]	4,[illegible]	1,171	---	2,[illegible]
HEALTH SYSTEMS VITALIZATION	G	519-0291	83	85	12,278	12,2[illegible]	1[illegible]	[illegible]	---	11,[illegible]	---	---
HEALTH SYSTEMS VITALIZATION	L	519-0291	83	85	25,400	23,[illegible]	[illegible]	1[illegible]	---	1[illegible]	---	---
SAVE THE CHILDREN - OPG	G	519-0302	85	88	---	[illegible]	---	---	---	---	[illegible]	150
HLTH SYSTS VITL IMPROVEM	G	519-0308	86	88	---	1[illegible]	---	---	1,[illegible]	[illegible]	[illegible]	10,000
TOTAL FOR ACCOUNT					38,[illegible]	[illegible]	[illegible]	[illegible]	1[illegible]	1[illegible]	[illegible]	12,[illegible]
GRANTS					13,[illegible]	[illegible]	1,[illegible]	[illegible]	1[illegible]	2[illegible]	[illegible]	12,[illegible]
LOANS					[illegible]	[illegible]	[illegible]	1[illegible]	---	1[illegible]	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT - EHR	G	519-0000	74	C	---	---	1,[illegible]	[illegible]	1,[illegible]	1,[illegible]	400	[illegible]
[illegible] AND POLICY PLANNING	G	519-0292	[illegible]	86	[illegible]	[illegible]	---	---	---	---	---	---
EDUCATIONAL SYSTEMS REVITALIZATION	G	519-0295	85	89	17,[illegible]	1[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13,[illegible]
VOCATIONAL TECHNICAL EDUCATION	* G	519-0319	87	89	---	1[illegible]	---	---	---	---	5,[illegible]	4,[illegible]
TOTAL FOR ACCOUNT					1[illegible]	1[illegible]	[illegible]	[illegible]	1[illegible]	1[illegible]	15,[illegible]	15,1[illegible]
GRANTS					15,[illegible]	[illegible]	[illegible]	[illegible]	1[illegible]	1[illegible]	15,[illegible]	15,1[illegible]
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EL SALVADOR

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SELECTED DEVELOPMENT ACTIVITIES											
SPECIAL DEVELOPMENT ACTIVITIES	G 519-0094	72	C	---	---	1,465	1,205	350	400	350	400
PROGRAM DEVELOPMENT AND SUPPORT - SDA	G 519-0177	74	C	---	---	4,029	1,977	2,050	3,280	950	1,415
PUBLIC SECTOR EMPLOYMENT	G 519-0256	80	85	955	955	955	487	---	239	---	229
PUBLIC SECTOR EMPLOYMENT	L 519-0256	80	85	23,430	25,430	23,430	23,430	---	---	---	---
REFORM AND POLICY PLANNING	G 519-0262	82	88	5,135	5,155	4,573	2,146	1,500	2,500	2,000	1,200
HEALTH/JOBS FOR DISPLACED PERSONS	G 519-0281	82	88	21,460	24,000	21,460	9,460	7,500	10,092	4,500	7,000
LOCAL GOVERNMENT STRENGTHENING	* G 519-[illegible]	87	88	---	10,000	---	---	---	---	5,000	2,000
INT'L EX. SERVICE CORPS, OPG	G 519-[illegible]	85	85	500	500	500	---	---	500	---	---
URBAN SMALL BUSINESS, OPG	G 519-[illegible]	85	87	1,000	3,000	1,000	---	1,000	1,500	1,000	1,500
YOUTH ENTREPRENEUR DEVELOP OPG	G 519-0311	85	87	300	1,000	300	---	350	550	350	400
[illegible] ASSOC. STRENGTHENING	G 519-0316	85	85	330	330	330	---	---	330	---	---
SMALL BUSINESS ASSISTANCE	* G 519-0311	87	87	---	5,000	---	---	---	---	5,000	1,500
PRIVATE AND VOL. ORGANIZATIONS, OPG	G 519-[illegible]	79	C	---	---	---	---	1,500	1,000	---	1,500
TOTAL FOR ACCOUNT				55,110	85,570	63,039	35,755	11,250	26,739	19,150	17,144
GRANTS				29,700	55,940	34,609	9,124	11,250	26,339	19,150	17,144
LOANS				23,430	25,430	23,430	23,430	---	---	---	---
ECONOMIC SUPPORT FUND											
SMALL PRODUCER DEVELOPMENT	G 519-0004	[illegible]	85	9,000	9,000	9,000	5,287	---	3,000	---	2,000
PRIVATE SECTOR SUPPORT II	L 519-0287	81	[illegible]	405,000	405,000	475,000	405,000	---	---	---	---
PUBLIC SERVICE RESTORATION	G 519-0279	82	84	44,600	75,600	44,600	14,457	21,000	25,000	15,000	25,000
PUBLIC SERVICE RESTORATION	L 519-0279	82	84	13,400	13,400	13,400	13,257	---	240	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized data. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: EL SALVADOR

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY85- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	EXPENDITURES
HEALTH/JOBS FOR DISPLACED PERSONS	G	519-0281	82	88	50,300	37,500	22,300	4,157	7,000	4,000	10,000	16,506
[illegible] STABILIZATION/RECOVERY	G	[illegible]	84	88	9,440	19,000	9,440	547	7,000	4,000	3,000	8,000
JUDICIAL REFORM	G	[illegible]	84	[illegible]	9,234	9,234	9,234	654	---	4,500	---	4,080
BALANCE OF PAYMENTS SUPPORT	G	[illegible]	[illegible]	87	180,000	531,045	184,000	[illegible]	147,045	207,045	207,000	207,000
[illegible] AUTHORITY	L	[illegible]	[illegible]	[illegible]	---	---	40	---	---	---	---	---
TOTAL FOR ACCOUNT					571,194	1,071,779	571,234	[illegible]	177,045	267,809	240,000	262,586
GRANTS					557,794	1,058,379	557,834	[illegible]	177,045	267,545	240,000	252,586
LOANS					13,400	13,400	13,400	13,262	---	262	---	---
TOTAL FOR COUNTRY					933,344	1,545,[illegible]	940,573	[illegible]	[illegible]	[illegible]	725,000	354,345
GRANTS					[illegible]	1,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	341,721
LOANS					[illegible]	211,[illegible]	[illegible]	[illegible]	[illegible]	41,444	12,550	12,624

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title Vocational/Technical Education	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000	Life of Project Funding 15,000
Number 519-0315 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR 5,000	Sel. Act.	Initial Obligation FY 1987 | Estimated Final Obligation FY 1989 | Estimated Completion Date of Project FY 1992

Purpose: To establish the institutional base to assist economic recovery and extend the benefits of growth by meeting the skilled human resource training needs of Salvadoran firms which are exporting or interested in exporting.

Project Description: The proposed project has two objectives: (1) to meet the immediate training needs of firms in El Salvador that are exporting or are interested in exporting, and (2) to establish the institutional base for meeting the training needs of the private sector, especially export firms, over the long term.

The project will respond to skills development requirements which already exist and those which are expected to be generated by the Mission's substantial export trade and investment promotion program.

Prior to initiation of the project, a training needs assessment of industrial firms exporting or interested in exporting will be conducted, and existing Salvadoran training institutions will be canvassed to determine those capable of immediately carrying out the training required and those that will have the capability, with assistance, to provide the needed training over the medium term. An advisory group composed of interested private and public sector representatives will be formed to provide overall guidance and collaborate in its implementation.

The project will provide financing to meet the immediate training needs identified, set the stage for upgrading the longer-term training needs, and experiment with approaches. A U.S. organization will be contracted to provide technical assistance in new methodologies of technical/vocational training, such as competency-based, learner-centered training, and to carry out a "train-the-trainers" program for the local institutions. This U.S. organization will serve as a linkage with institutions in the United States capable of bringing specific training services to El Salvador, and making arrangements locally for the training. The training may be carried out on the premises of these firms, through private sector organizations or in the training institutions. The project will also finance short-term training in the U.S. for technical skills and management courses not available in-country.

The project will select a few Salvadoran training institutions and focus on improving the relevance of their services. Finally the project will serve as a linkage between training institutions and private sector firms and as a conduit for out-of-country training.

Relationship of Project to A.I.D. Country Strategy: The project fully supports AID's objective to promote economic recovery in El Salvador. It links with and supports Project 519-0287, Industrial Stablization and Recovery. The project responds directly to the NBCCA recommendation to promote vocational/technical training responsive to local labor market needs.

Host Country and Other Donors: The Inter-American Development Bank (IDB) is expected to initiate an activity with the Ministry of Education in FY 1986 to upgrade the facilities and equipment of one of the post-secondary technical institutes and to build and equip a second post-secondary technical institute. The World Bank is completing a major project with the Ministry of Labor to build and equip a vocational training center near a Free Trade Zone. The World Bank may provide a follow-on loan. A.I.D.'s proposed project will be coordinated closely with both the IDB and World Bank in all phases of project implementation.

Beneficiaries: Primary beneficiaries will be Salvadoran training institutions as well as small, medium and large Salvadoran export firms to the U.S. Approximately 10,000 lower-income workers will benefit through technical training developed by this project.

Major Outputs	All Years
Advisory Group for Vocational Education for Private Sector	X
Local Training Institutions Offering Improved Vocational Education Programs	X
Private Sector Employees Trained in New Skills	X
Trainers Trained	X

A.I.D. Financed Inputs	($000)
Training Costs	8,000
Technical Assistance	2,500
Operational Support to Foundation	2,500
Equipment and Materials	2,000
TOTAL	15,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000	10,000	15,000

Principal Contractors or Agencies

PROGRAM EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title Local Government Strengthening		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000		Life of Project Funding 10,000
Number 519-0301 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 5,000	Initial Obligation FY 1987	Estimated Final Obligation FY 1988	Estimated Completion Date of Project FY 1989

Purpose: To assist El Salvador to develop and institutionalize systems for strengthening the capacity of its democratically elected local governments to provide public services and to carry out development activities.

Project Description: El Salvador's 1983 Constitution envisioned an expanded role for the 262 municipal governments in the country's evolving democratic socio-political order. In that country there is a consensus forming that to be viable in the long-term, the new Salvadoran democracy requires grass-roots participation in socio-economic decision-making coupled with greater incentives, opportunities and motivation for self-help, self-management and self-governance at the local level. Traditionally, Salvadoran local governments have not had sufficient authority or resources to respond to local needs in these areas. Revenue and budget authorities have been highly centralized in national ministries and autonomous institutions. Local authorities acted merely as agents of the central government.

Behind the desire to strengthen local government is the strong conviction that Salvadoran democracy will function effectively when decisions regarding basic human needs are made at the local level, based on the expressed desires of the local populace, and through their duly elected representatives. Population increases in secondary cities and larger towns make it difficult for El Salvador's centralized system to meet the needs of the rural populace. As more areas of the country become secure from insurgency and terrorism there is a need to establish strong local government authority and services.

The institutional and legal framework for a comprehensive local government initiative is under discussion at the highest levels of the Salvadoran Government (GOES). New laws are being drafted and discussed, among them: a new municipal code, a municipal loan fund, new local revenue sources and authorities, and a local planning law. As the local government initiative unfolds, it is likely that the project will be coordinated initially by the GOES Ministries of Planning and Interior. The Ministry of Planning should involve a broad spectrum of organizations in a review of municipal development proposals. The Ministry of Interior has local government oversight responsibilities. Once the new legal and institutional framework is in place, responsibility for administration and coordination of the project will most likely be placed in a new, more operational government body, such as a regional and municipal affairs agency.

A.I.D. funds will be used: to provide technical assistance; to support planning and coordination activities involving central and municipal government agencies; for training of promising municipal leaders; for surveys of the programs and systems that can be incorporated into a restructured central/municipal relationship; and to conduct various analyses. Project resources will also be used to develop a GOES institution to do rural research, train personnel and provide specialized technical assistance to local governments over the longer term.

Relationship of Project to A.I.D. Country Strategy: One of A.I.D.'s principal goals is the consolidation of democratic institutions and human rights. This project is consistent with this goal and NBCCA recommendation to strengthen democratic institutions. The Kissinger Commission recommended that the United States undertake key initiatives to "expand economic assistance for democratic institutions and leadership training." It was further recommended that "programs be established to bring leaders of such democratic institutions as labor unions, local governments, legislatures, to work and study in counterpart U.S. organizations." This project will respond to both NBCCA recommendations.

Host Country and Other Donors: The Inter-American Development Bank (IDB) plans to authorize a $20 million loan in 1985 to provide technical and capital assistance for municipal development in El Salvador. The proposed AID project would provide technical assistance and training to complement activities to be carried out under a Municipal Development Fund to be capitalized by the IDB loan.

Beneficiaries: The project's beneficiaries will be the Salvadoran citizens in municipalities, who will benefit from the increased responsiveness of local officials for providing public services and in the carrying out of appropriate development activities.

Major Outputs	All Years
More Decentralized GOES Framework	X
Increased Capacity of Local Officials to Design Community Projects and to Manage Local Gov't Services	X
GOES Institution for Providing Long-term T.A. to Local Gov't Entities to Strengthen Capabilities for Self-governing	X

A.I.D. Financed Inputs	($000)
Technical Assistance	5,000
Training	5,000
TOTAL	10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000	5,000	10,000

Principal Contractors or Agencies

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title Small Business Assistance	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000		Life of Project Funding 5,000
Number 519-0318 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 5,000	Initial Obligation FY 1987	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1991

Purpose: To increase employment and raise incomes of lower and middle income persons through the promotion of small scale, private business.

Project Description: There are several public and private efforts designed to support small scale enterprises in El Salvador. Though some are effective, their overall impact has not been maximized. Small-scale enterprises make up 80 percent of the businesses registered in El Salvador. Public and private efforts alike have failed to provide adequate support to small businesses because these efforts are diffuse, underfunded and often duplicative. Finally, small businesses are often hampered by constraints inherent in government policies toward the private sector.

The proposed project has four objectives: (1) to integrate small scale entrepreneurs into the local economy by providing technical assistance, training and guidance needed to run their operations efficiently; (2) to provide small businesses with the financial resources they need to start new operations or to expand; (3) to promote a positive policy and legal framework for small scale enterprises; and (4) to strengthen the capacity of private sector associations to serve the small business sector.

The project design will be greatly influenced by the results of a nationwide small business sector assessment to be carried out in FY 1986. The assessment will describe the Salvadoran small business sector and will identify constraints, opportunities for improvement and new institutional relationships.

It is expected that the project will (1) provide accounting, management and other training, perhaps through a Small Business Training Institute; (2) strengthen small business associations to help organize and represent the small business sector; (3) establish a food technology lab to test new products and improve production processes; (4) review the legal framework within which Salvadoran small businesses operate and promote necessary changes; and (5) strengthen existing credit programs. The scope of each activity will be based largely on the findings of the assessment.

The project should result over time in a number of new small businesses and the expansion of existing small scale enterprises with the concomitant generation of income and employment. An important benefit will be a greater degree of collaboration among the public and private institutions involved with the small business sector.

Relationship of Project to A.I.D. Country Strategy: The proposed project is consistent with A.I.D.'s objective to promote the economic recovery of El Salvador through assistance to the small business sector. It also responds to the NBCCA recommendation which encourages the growth and formation of small businesses.

Host Country and Other Donors: The project responds to the Government of El Salvador's objective to increase the number of small entrepreneurs. The project will complement efforts by the Salvadoran financial and credit institutions which set aside 10% of their credit assistance for small businesses. International institutions such as the Inter-American Development Bank (IDB) have also expressed interest in providing resources to assist El Salvador's small business sector.

Beneficiaries: The direct beneficiaries of the proposed project will be Salvadoran small scale entrepreneurs, as well as approximately 20,000 lower and middle income workers filling newly created job opportunities.

Major Outputs	All Years
Improved Policy Environment	X
Improved Credit Delivery Systems	X
New Services Provided by Small Business Associations to Small Enterprises	X
Food Technology Lab	X
Newly Created Job Opportunities	X

A.I.D. Financed Inputs	($000)
Credit Fund	3,000
Technical Assistance and Training	2,000
TOTAL	5,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000		5,000

Principal Contractors or Agencies

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

					PROPOSED OBLIGATION (In thousands of dollars)		
Title Private Voluntary Organizations		Funding Source	AG, RD & N 4,000	Health	FY 1987 4,000	Life of Project Funding Continuing	
Number 519-9999 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act	Initial Obligation FY 1979	Estimated Final Obligation FY Continuing	Estimated Completion Date of Project FY Continuing

Purpose: To mobilize the expertise of U.S. and Salvadoran private voluntary organizations (PVOs) in the design and implementation of innovative development projects.

Project Description: The use of PVOs is an integral part of the A.I.D. economic assistance strategy in El Salvador. U.S. and local PVOs provide extensive support toward the achievement of A.I.D.'s major objectives in such areas as agrarian reform, private enterprise development, population and family planning and humanitarian assistance. In FY 1986 and FY 1987, A.I.D. will continue projects with Technoserve, Inc., which assists agrarian reform cooperatives to become self-managing enterprises; with the Salvadoran Demographic Association (SDA). which promotes family planning through community-based distribution and retail sales of contraceptives, mass media campaigns and voluntary sterilization programs; with a number of PVOs under the Health and Jobs for Displaced Families Project (519-0281), including Project Hope which is establishing 35 dispensaries to serve 35,000 displaced persons in 67 settlements; and with Save the Children, which is implementing an integrated rural development program in the eastern part of the country. A 1985 evaluation of the Save the Children project resulted in specific recommendations for the design and implementation of a five-year follow-on project.

The new project will establish a training program for promotors and community volunteers which stresses program management; training incentives; redefinition and broadening of promoter responsibilities; establishment of a rural community banking system; and documentation of project activities to demonstrate progress toward objectives and solutions to rural socio-economic problems. In FY 1987, the new project will develop a capacity within a local PVO to manage training and scholarship programs. The PVO will link with a selected U.S. contract firm to manage an increasing share of the El Salvador portion of the Central American Peace Scholarships Program (CAPS). The local PVO will gradually become responsible for selection and placement of trainees, monitoring of training programs, with the objective of assuming full responsibility for this once the U.S. contractor's services are complete.

Relationship of Project to A.I.D. Country Strategy: The activities described herein are consistent with A.I.D.'s objective to assist the Government of El Salvador to reestablish economic growth with equity, while maintaining support for economic, humanitarian, social and democratic institutions and programs. The participation of U.S. and local PVOs can enhance the equitable distribution of the benefits of economic growth.

Host Country and Other Donors: A.I.D. funds represent no more than 75% of the resources devoted to PVO projects. The remainder is provided normally by the PVOs themselves. The Government of El Salvador contributes through provision of technical assistance or in-kind contributions.

Beneficiaries: Beneficiaries of PVO-implemented projects are almost exclusively the urban and rural poor.

Major Outputs	All Years
Trained Promoters and Volunteers	X
Strengthened Local PVOs	X

A.I.D. Financed Inputs	($000)
Institutional Support	4,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	4,000	Continuing	Continuing

Principal Contractors or Agencies

GUATEMALA

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY   (520) GUATEMALA

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*BASIC DATA*
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TOTAL POPULATION   (THOUSANDS,MID 1985)      8,346

PER CAPITA GNP             (DOLLARS,1983)      1,120

ANNUAL PER CAPITA REAL GNP GROWTH RATE   (1965-83)  2.1%

ANNUAL RATE OF INFLATION (1973-83)  9.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION  (1970)   5.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 61.0  MALE 59.2  FEMALE 62.9
                      (1970)   TOTAL 52.9  MALE 52.0  FEMALE 53.8

ADULT LITERACY RATE  (1973)   TOTAL  46%  MALE  54%  FEMALE  39%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                               (1978-1984)  -2.3%

AGRICULTURAL PRODUCTION AS % OF GDP          (    .)      %

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        242


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE  CORN ,RICE ,PULSES                        65%   (1984)
  CASH  COFFEE ,COTTON ,RAW SUGAR                        31%   (1984)

MAJOR AGRICULTURAL EXPORTS (1984) COFFEE ,COTTON ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS (1984) WHEAT ,OILSEEDS ,ANIMAL PRODS

PROPORTION OF LABOR FORCE IN AGRICULTURE         (1979)    57%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1978)        661 (79)         666 (80)          744
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1978)        733 (79)         816 (80)        1,087
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1978)        -71 (79)        -149 (80)          344
DEFENSE EXPENDITURES
  AS % OF TOTAL EXPENDITURES    (1978) 10.0% (79) 10.4% (80)  9.3%
  AS % OF GNP                   (1978)  1.2% (79)  1.2% (80)  1.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982)   134 (83)   232 (84)   297
  EQUIVALENT TO  1.8 MONTHS OF IMPORTS (1982)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE           ,COTTON           ,SUGAR

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  306  (1983)  405  (1984)  435
   AS % OF TOTAL EXPORTS (1981)   21% (1982)   29% (1983)  40%

MAJOR IMPORTS(1983)MANUFCTRD PROD ,MACHINERY        ,TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  432  (1983)  365  (1984)  414
   AS % OF TOTAL IMPORTS (1981)   43% (1982)   37% (1983)  37%

TRADE BALANCE($ MILLIONS, U.S.)(1981)  -262(82)   -117(83)     34

TRADING PARTNERS  UNITED STATES ,EL SALVADOR ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    20.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)                                (1983)   141
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)      (1983)  12.9%
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*SOCIAL DATA*
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POPULATION GROWTH RATE   (1970)   2.7% (1978)   3.2% (1985)  3.0%

POPULATION IN URBAN AREAS              (1970)    36%  (1985)   41%

LIVE BIRTHS PER 1,000 POPULATION      (1970)            (1985)     42

MARRIED WOMEN AGED 15-44 YRS  USING CONTRACEPTION    (1983)  25.0%

POPULATION (1985) IN AGE GROUP
                   (0-14YRS) 43.3% (15-64YRS) 53.8% (65+ YRS)  2.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  67

PEOPLE PER PHYSICIAN                   (1982)  1,832

MAJOR CAUSES OF
DISEASE (1982) ENTERIC DISEASE ,ACUTE RESP  INFE,UNKNOWN AILMENTS
DEATH   (1982) ACUTE RESP  INFE,ENTERIC DISEASE ,DEFICIENT DIET

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS     (1977)    95%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  45%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY            (1983)  TOTAL  72.0   MALE  77.3    FEMALE  66.5
SECONDARY          (1983)  TOTAL  15.7   MALE  16.7    FEMALE  14.7
POST SECONDARY     (1979)  TOTAL   5.8   MALE   8.2    FEMALE   2.4

ENERGY PRODUCTION AS % OF CONSUMPTION              (1983)     57.1%
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U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LO[illegible]ORIZATIONS

(U.S. Fiscal Years - Millions of Dollars)

COUNTRY GUATEMALA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-84	REPAYMENTS AND INTEREST 1946-84	TOTAL LESS REPAYMENTS AND INTEREST 1946-84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE - TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
a. A.I.D. and Predecessor Agencies	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
b. Food for Peace (PL 480)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Title I - Total Sales Agreements	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Repayable in U.S. Dollars - Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Payable in Foreign Currency - Planned for Country Use	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Title II - Total Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Emerg. Relief, Econ. Develop. & World Food Program	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voluntary Relief Agencies	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
c. Other Economic Assistance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Peace Corps	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Narcotics	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
II. MILITARY ASSISTANCE - TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credits or Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
a. MAP Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
b. Credit Financing - FMS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
c. Military Assistance Service Funded (MASF) Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
d. Transfers from Excess Stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
e. Other Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other U.S. Government Loans and Grants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
a. Export-Import Bank Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
b. All Other Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	[illegible]	[illegible]	[illegible]	[illegible]
IBRD	[illegible]	[illegible]	[illegible]	[illegible]
IFC	[illegible]	[illegible]	[illegible]	[illegible]
IDA	[illegible]	[illegible]	[illegible]	[illegible]
IDB	[illegible]	[illegible]	[illegible]	[illegible]
ADB	[illegible]	[illegible]	[illegible]	[illegible]
AFDB	[illegible]	[illegible]	[illegible]	[illegible]
UNDP	[illegible]	[illegible]	[illegible]	[illegible]
OTHER-UN	[illegible]	[illegible]	[illegible]	[illegible]
EEC	[illegible]	[illegible]	[illegible]	[illegible]

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1970-83
United States	[illegible]	36.0	[illegible]
Germany,Fed. Rep.	[illegible]	9.3	[illegible]
Canada	[illegible]	4.9	13.5
Japan	1.8	1.5	11.7
Netherlands	1.6	0.9	7.4
Other	[illegible]	7.0	15.7
Total	[illegible]	49.6	222.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

GUATEMALA

PROGRAM SUMMARY

(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	39,700	17,000	-	4,500	8,700	-	9,500	-
Grants	30,833	5,400	2,628	5,499	4,806	9,500	3,000	-
Total	70,533[1]	22,400	2,628	9,999	13,506	9,500	12,500	-
1986								
Loans	25,925	3,000	-	-	-	-	23,925	
Grants	55,925	13,500	2,753	5,200	5,200	3,747	23,925	1,600
Total	82,850	16,500	2,753	5,200	5,200	3,747	47,850	1,600[2]
1987								
Loans	47,050	2,000	-	-	4,050	6,000	35,000	-
Grants	62,950	11,500	5.650	4,692	2,200	2,200	35,000	1,708
Total	110,000	13,500	5,650	4,692	6,250	8,200	70,000	1,708[2]

[1] Includes $15.567 million ($7.4 million ARDN, $1.5 million HEA, $4.467 million EHR and $2,200 SDA) from the FY 1984 Supplemental Appropriation.

[2] Child Survival Fund

FY 1987
PROGRAM HIGHLIGHTS

- Economic Support Funds ($70 million) to assist Guatemala to achieve economic stabilization through balance of payments support.
- $4.3 million to extend oral rehydration therapy services in rural areas.
- $8 million to promote the development of small and medium enterprises.
- $6.5 million to improve primary education management in rural areas.
- $12.5 million to support marketing the land of willing sellers for the benefit of the landless poor.
- $19 million P.L. 480 Title I program of essential foods and to support agricultural development projects.

GUATEMALA

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	7,579	47,951	52,875
Grants	9,534	42,371	59,901
Total AID	17,113	90,322	112,776
P.L. 480 **			
Title I	19,700	14,000	19,000
(of which Title III is)	(-)	(-)	( )
Title II	4,396	4,437	4,690
Total P.L. 480	24,096	18,437	23,690
Total AID and P.L. 480	41,209	108,759	136,466

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	58,000	9,000	92,000	14,000	101,000	13,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	9,000	5,000	-	-	6,000	3,000
Non-food	15,000	5,700	-	-	7,000	3,000
Title I Total	82,000	19,700	92,000	14,000	114,000	19,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	17,421	4,396	20,090	4,437	20,921	4,690
Government - to - Government	-	-	-	-	-	-
Title II Total	17,421	4,396	20,090	4,437	20,921	4,690
Total P.L. 480	99,421	24,096	112,090	18,437	134,921	23,690

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	21	18	18
PASA[b]	4	6	6
TOTAL	25	24	24

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	4	–	4	4	–	4	–	–	
Regional[e]	26	644	670	89	1,163	1,252	148	630	778
TOTAL	30	644	674	93	1,163	1,256	148	630	778

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	–	–	–	–	–	–	–	–
Regional[e]	–	–	–	–	–	–	–	–	–
TOTAL	–	–	–	–	–	–	–	–	–

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

GUATEMALA

Development Overview

Guatemala enters 1986 -- the year of its entry into the ranks of democratically elected governments -- in the midst of an economic crisis unprecedented in Guatemala. Real per capita income gains achieved in the 1970s have been almost entirely reversed in the first half of the eighties, the result of both sluggish or negative annual increases in national income and a 3.0% annual population growth rate. The prognosis for 1986 is another year of declining real output and further reductions in the average Guatemalan's standard of living.

The roots of the crisis have affected most of the countries of Central America: political instability, capital flight, and worsening terms of trade. Guatemala attempted to forestall recession in the early 1980s through a public sector investment program, the drawdown of its once substantial international reserves, and heightened reliance on an overvalued exchange rate and international borrowing. This strategy created the false appearance that Guatemala was weathering the regional economic tailspin better than its neighbors, an impression Guatemala was able to sustain until very recently.

The expansionary economic palliatives have resulted in serious structural adjustment problems in Guatemala. Elevated fiscal deficits, remaining at an estimated 3.3% of GDP in 1986 have fomented an unsustainable demand for imports and placed pressure on the exchange rate. The growing overvaluation of the quetzal has constrained Guatemala's export sales and foreign exchange earnings. External borrowing, mostly short-term and at commercial interest rates, has raised the ratio of debt service to export earnings from 13% in 1983 to about 37% in 1985, with nearly 50% projected for 1986. Net international reserves declined from $364 million to $16 million between 1980 and 1983.

Guatemala has taken a number of measures over the last few years to correct these external and internal imbalances. A series of spending cuts gradually reduced the public sector deficit to about 3% of GDP in 1984. Stand-by agreements were signed with the IMF in 1982 and 1983. The latter program was significant in that it was accompanied by an effort to implement a major tax reform, including the introduction of a value-added tax. Additional fiscal measures were introduced in 1984 and 1985, including a new levy on foreign exchange transactions. However, actual tax collections have fallen from about 9.7% of GDP in 1979 to 5.7% in 1984, resulting in serious underfunding for high-priority public sector investments in areas such as education and basic infrastructure.

The decline in foreign exchange reserves was first countered with foreign exchange rationing and an accumulation of payments arrears. In late 1984, Guatemala broke with the past by introducing a multiple exchange rate system. In the first year of existence of the parallel exchange market, the quetzal price of a U.S. dollar rose from Q.1.40 to nearly Q.4.00, reflecting the still substantial imbalance between supply and demand. Exchange rate depreciation coupled with expansionary domestic policies has generated the recent acceleration of inflation, expected to exceed 40% in 1985. As a result, controlled interest rates have become highly negative, disrupting credit markets and discouraging savings.

Agriculture continues to play a dominant role in the Guatemalan economy. The primary crops, including coffee, cotton, bananas, sugar and beef, are export-oriented. A small but growing sector of the agricultural economy is producing nontraditional products such as cardamom, fresh and frozen vegetables, and processed products for the international market. The stagnation of intraregional trade and continued low traditional commodity prices argue for an emphasis on expanding nontraditional agricultural exports. In 1984, nontraditional exports amounted to 9.1% of all Guatemalan products sold to the United States, up from 3.9% in 1980.

Development for Guatemala requires attention to greater equity as well as growth. Income distribution remains highly unequal, with the bottom 20% receiving a mere 5% of national income. Poverty is widespread among Guatemala's rural and, especially, indigenous residents. When endowments of land and human capital are considered, the extreme inequities come into even sharper focus.

Indigenous Guatemalans comprise about two-thirds of the rural population and reside mostly on small farms in the densely populated western highlands. A 1979 study found that 88% of Guatemala's farms occupied only 16% of all cultivated land and were too small to support one family. Guatemala's rural poor must also depend on seasonal wage labor on the south coast, in the harvest of coffee and other traditional export crops. Seasonal migration, among other factors, is responsible for over 50% of highlands children aged 7-14 not attending school.

Guatemalan educational attainments are among the lowest in Central America. Only 47% of the population is literate, while about 25% of those children who start primary school complete six grades. The retention rate has been even lower for rural indigenous students, for whom bilingual instruction (a major A.I.D. objective) represents an important educational opportunity. Health indicators for Guatemala also lag behind those for the rest of the region. Life expectancy for the indigenous population is 44 years, compared with the national average of 61 years. In 1984, only an estimated 47% of the population had access to potable water. This figure is much lower for the rural population.

Poverty in Guatemala is increasing in the current recession, in part due to the lack of new jobs to absorb entrants into the labor force. According to national estimates for 1984, 43.4% of Guatemala's economically active population of 2.47 million was either unemployed or underemployed.

U.S. Interests and Objectives

The economic, political and social turmoil of Central America poses a serious threat to U.S. national interests. Guatemala's geographic position and resources give it great importance for U.S. interests in the Caribbean Basin. Over the past two decades, Guatemala experienced a combination of satisfactory economic growth with limited political development and poor performance in meeting basic needs, particularly for the indigenous groups of the Highlands. To promote social and political stability, Guatemala must continue to take measures to regain past economic growth rates, seek greater distribution of the benefits of such growth to the rural poor, slow the rate of population growth, and continue human rights improvements.

A.I.D. Development Strategy

In keeping with the major goals for Central America set by the National Bipartisan Commission on Central America (NBCCA), A.I.D.'s assistance program for Guatemala has four principal goals: economic stabilization, long-term growth, equity in the distribution of economic benefits, and continued democratization. Within that goal structure, our assistance will place particular emphasis on: (1) restoration of balance of payments equilibrium; (2) increasing productivity, incomes, and equity in the rural sector; (3) reducing the rate of population growth; and (4) further strengthening of democratic institutions. The commitment of the Government of Guatemala (GOG) to democratization and improvements in human rights continues to determine A.I.D.'s ability to successfully implement these programs. The strategy calls for supporting and strengthening democratic institutions and for the development of an institutional capacity in both the public and private sectors to make the development process self-sustaining. Increasing emphasis is being placed on private sector production and on programming local currency associated with balance-of-payments support. In addition, the strategy includes specific activities designed to demonstrate alternative development approaches and technologies which can be continued or replicated with non-A.I.D. resources.

The United States' policy dialogue with the GOG is centered on unification of the exchange rate, rationalization of interest rates and other policy elements necessary to achieve a constructive resolution of the major economic problems. The policy dialogue will also encourage the GOG to restore the country to a path of moderate growth and stabilize per capita incomes; to reduce the fiscal deficit; to promote greater public support for the process of economic growth and development; and to encourage the adoption of policies supportive of private sector investment. A number of the macroeconomic issues, particularly those dealing with exchange and interest rates, pricing policies and access to foreign exchange, have particular relevance to the agriculture sector in general and small-scale farmers in particular.

The policy dialogue will encourage the GOG to establish appropriate export incentives, to increase reliance on market forces, and to facilitate the flow of credit and marketing services to small-scale farmers. To help smallholders, projects in agricultural diversification will help boost production of new exportable crops. An agro-industry development project is assisting the private sector to develop food processing industries which will provide expanded and higher value markets for smallholders' produce. A cooperative strengthening project will allow agricultural cooperatives to take a more prominent lead in providing services in production and marketing. Broadened economic opportunity will be advanced through agricultural support programs for smallholders and through an education program to improve the welfare of the poor, especially in the Highlands. In support of a bilingual education policy, two projects will concentrate on improving the efficiency of the primary education system. Health projects will be directed toward increasing life expectancy through the provision of potable water, sanitation, immunization, and other services in rural areas. A.I.D. will continue discussions at the highest levels of the public and private sectors on the impact of high population growth rates on the economy and resources of the country. Population projects will encourage a more active role by public and private institutions in voluntary family planning programs, leading to a GOG national population policy.

Following up the recent positive steps taken by the GOG in the process of democratization, including Constitutional Assembly elections in July 1984 and national elections in November 1985, the dialogue with the GOG will continue to seek to assist the Guatemalan people to sustain and deepen their commitment to a freely elected government and continued improvement of the government's human rights performance.

A.I.D. Program (FY 1985-FY 1986)

In implementing the NBCCA recommendations, A.I.D. is providing in FY 1986 $48 million in ESF, $35 million in Development Assistance (DA), and $19 million in P.L. 480. The program stresses emergency economic assistance to help Guatemala reduce its balance-of-payments deficit, support the movement toward democracy, and support economic growth with equity.

A. Economic Stabilization

The current economic crisis in the Guatemalan economy has its roots in external forces, particularly the world recession of the early eighties, slow growth in traditional commodity prices, and regional political instability. The negative impact of these factors, common to the region, has been exacerbated by inadequate GOG response to adjustment requirements. Evaluations of the agriculture sector, the principal export earning sector, have identified the need to provide incentives for crop diversification and exportation. A $12.5 million Agribusiness Development project (520-0276) is identifying market opportunities for farmers with small operations (particularly export-oriented) and is expanding and improving the efficiency of agribusiness enterprises which process the production of small farms. Economic Support Fund (ESF) assistance in FY 1986 at a $48 million level will be principally directed toward alleviating balance-of-payments problems. Local currency associated with the dollar aid will help the newly elected government to honor pre-existing commitments to rural development.

P.L. 480, Title I resources are providing balance-of-payments support through imports of essential agricultural commodities. Local currency generations are supporting programs to stimulate food production. The FY 1985 P.L. 480, Title I program ($19.7 million) financed imports of vegetable oil, wheat, and tallow; the local currencies obtained through commodity sales financed rural development programs. In FY 1986, $14 million is planned to finance imports of wheat, and to advance the forest management program for the stabilization of erodable lands in both public and private domains. Title II programs, which in FY 1985 totaled $4.396 million, provide food to preschool children, women of child-bearing age, and mothers enrolled in the maternal and child health feeding programs sponsored by CARE and Catholic Relief Services (CRS).

B. Economic Growth

In the agricultural sector, both technological innovation and improvements in infrastructure and marketing necessary to raise productivity and incomes are being undertaken. Emphasis is given to the needs of the poor, especially the Highland Indians. Under the Small Farmer Diversification project (520-0255), research on diversified crop technologies to shift production from basic grains to higher value fruits and vegetables is being financed. The Highlands Agricultural Development project (520-0274) is increasing small farmer production mainly through the introduction of land terracing, small-scale irrigation and access road construction. To maintain rural roads, a special road maintenance program under the same project (520-0274) was initiated in FY 1985. The Small Farmer Marketing project (520-0238) is developing a marketing structure for the diversified production of small farmer cooperatives. The Cooperative Strengthening project (520-0286) will initiate a program in FY 1986 to bolster performance of marketing cooperatives and ultimately to expand the competitiveness of cooperatives in the nontraditional export market. Appropriate production technologies and financial credit are being provided to rural industry and artisan enterprises under the Rural Enterprises Development project (520-0245). Based on the initial success of the Pilot Commercial Land Markets project (520-0330), the FY 1986 Commercial Land Markets project (520-0278) will develop a private land mortgage financing program to provide long-term credit and technical support to land-poor farmers interested in acquiring or expanding farm land holdings on a private purchase basis from willing sellers.

C. Broadening Benefits of Growth

In the health and population sectors, A.I.D. is financing the expansion of the GOG's rural potable water systems through the Community-Based Health and Nutrition Systems project (520-0251). This project, building upon lessons learned from several prior A.I.D. programs, designs village potable water systems which are constructed entirely by Guatemalan personnel and the villagers who will use the systems. To further reduce the incidence of communicable diseases affecting a large portion of the rural population, the Immunization/Child Survival project (520-0339) is expanding nationwide an immunization program to protect children under five and pregnant women from the five principal diseases causing high mortality and morbidity in this target group. During FY 1985 the Expansion of Family Planning Services project (520-0288) further integrated public and private voluntary family planning activities and created a private company which is marketing contraceptives commercially.

In the education sector, the A.I.D. program aims to improve productivity through both formal and non-formal education. A 1983 evaluation of education sector achievements during the past twelve years reported positive findings in bilingual education. In December 1984 the GOG issued a decree legalizing bilingual education for the first time in the country's history. The Rural Education Improvement project (520-0282) is expanding the bilingual primary education program initiated in rural areas under the Bilingual Education project (520-0258). The expanded program will educate significant numbers of Indian children for the first time. The Altiplano Higher Education project (520-0304) is expanding opportunities for the indigenous population to receive post-secondary education. Under the Non-Formal Education project (520-0281), adult learning related to agricultural production, health, literacy and other subjects is being expanded.

In the Selected Development Activities account, the Special Development Activities Fund project (520-0145) will support small-scale community self-help projects. The Local Economic Development project (520-0331) is providing the means for local-level coordinating committees to respond to the expressed needs of the villagers and is marshalling resources to provide services desired. Broadening the involvement of the private sector in rural development initiatives, the Private Sector Development Coordination project (520-0337) is supporting activities to increase the participation of small businesses in the Caribbean Basin Initiative. FY 1985 and FY 1986 Program Development and Support project (520-0000) funds will finance studies, evaluations and project design.

The ongoing PVO program has been expanded to address rural development needs in the Highlands. A.I.D. views both U.S. and indigenous PVOs as development partners, since they serve as a means of providing the poor with greater participation in the development process. Since 1980, the number of U.S. PVOs operating in Guatemala diminished significantly because of the high levels of violence in the Highlands. To fill this void, A.I.D. has encouraged indigenous PVOs to expand their development activities, particularly in the Highlands. CARE and the Peace Corps are implementing a Small Fish Pond Development project (520-0290) to improve family nutrition and income. CARE also is working with poor families recently settled in the Northern Transversal Strip under a prior A.I.D. program to develop and market the non-traditional export crop, cardamon, under the Ixcan Cardamon Cultivation and Commercialization project (520-0317). Complementing the A.I.D. rural potable water development program, under the CARE Water project (520-0336) CARE is providing potable water systems and latrines accompanied by health and nutrition training for rural women to villages previously excluded for a lack of resources. The PVO Agua del Pueblo, under the Rural Potable Water and Sanitation project (520-0298) and the Rural Water and Sanitation project (520-0335), is expanding its program of technical services and credit for rural communities which do not have potable water systems. The Penny Foundation, through the Pilot Commercial and Markets projects (520-0330 and 520-0343), is expanding its initiative for the voluntary sale of agricultural land from larger landowners to land-poor farmers. The Asociacion de Servicios Educativos y Culturales is expanding its radiophonic instruction program to permit at least 6,000 Indian language speakers to participate in a Spanish primary education program.

D. Democratic Institutions and Human Rights

During FY 1985, A.I.D. provided $227,000 from the LAC Regional Human Rights Project (598-0591) for the purchase of security ballot paper for 13.2 million ballots for the presidential, congressional and mayoral elections held in November 1985. In addition, the Center for Electoral Assistance and Promotion (CAPEL), located in San Jose, Costa Rica, received a grant of $322,000 to advise and assist two Guatemalan institutions in training officials responsible for monitoring balloting procedures and tabulating votes. A.I.D. also provided $7 million under the Electrical Power Reserve Project (520-0344) to provide back-up generating capacity to assure adequate power for the conduct of the elections. Further activities to strengthen the legislative and judicial processes will be undertaken following the installation of the new government and legislature in January 1986. To prepare Highland Indians and other disadvantaged groups to participate more actively in the continuing social, economic and political development of the country, A.I.D. provided 775 short-term scholarships and 25 long-term scholarships in FY 1985. Under the Central America Peace Scholarships Program (CAPS) (597-0001.10), 50 scholarships were provided to finance preparatory training appropriate to the needs of outstanding Indian candidates. Remedial science, mathematics, and English language training must be undertaken by most candidates from these disadvantaged populations prior to their being eligible for the U.S. long-term scholarships offered. To maximize short-term scholarship opportunities for this target group, courses are being conducted by U.S. institutions having the capability to offer training in the Spanish language. Recent evaluations have demonstrated acceptance of this instructional arrangement and the increased opportunities within their immediate environment for the participants.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Guatemala in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in ~~FY~~ 1985 to participants from Guatemala in the fields of rural health promotion, small rural enterprises, cooperative development, community organization and action, and the development of nontraditional exports.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Guatemala are as follows:

None for Guatemala in FY 1985.

C. Local currency associated with A.I.D. assistance to Guatemala was allocated by A.I.D. and the Government of Guatemala for the following uses in FY 1985. (There was a total of $5 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $7 million was added during FY 1985.):

Soil Conservation and Small Scale Irrigation	$3.00 million
Access Roads	1.50 million
Mediterranean Fruit Fly Erradication	1.10 million
Screw Worm Control	.80 million
Africanized Red Bee Control	.60
Total	$7.00 million

D. Reprogramming of funds for Guatemala during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1985 Obligations	69,171	22,400	2,650	9,900	18,171	3,550	12,500
- Actual FY 1985 Obligations	70,533	22,400	2,628	9,999	13,506	9,500	12,500

E. Funds and Programs provided to Guatemala in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Guatemala
DA	$1.7 million (4%)	$39.4 million (96%)
ESF	2.3 million (19%)	10.1 million (81%)
P.L. 480 Title I	- 0 -	19.7 million (100%)
P.L. 480 Title II	4.3 million (100%)	- 0 -
Total	$8.0 million (10.4%)	$69.2 million (89.6%)

Requested Year Program (FY 1987)

A.I.D. requests $70 million in ESF, $41 million in DA, $19 million in P.L. 480, Title I and $4.690 million in P.L. 480, Title II.

A. Economic Stabilization ($70 million ESF, $19 million P.L. 480 Title I)

A $19,000,000 Title I program is requested to provide essential food imports and to contribute to increasing agricultural production. Local currency generations will be used to encourage GOG reforms in the agricultural sector and to improve the land titling system.

A total of $1,150,000 for studies, evaluation, and project design is requested for the various Program Development and Support projects (520-0000).

P.L. 480, Title II ($4,690,000)

P.L. 480, Title II funds are sought to expand the availability of resources to the rural poor and to continue programs in maternal and child health.

MISSION DIRECTOR: Charles E. Costello

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUATEMALA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	520-0000	69	C	---	---	7,763	7,453	600	475	400	475
SMALL FARMER DEVELOPMENT		L	520-0233	76	83	16,000	16,000	16,000	15,927	---	73	---	---
SMALL FARMER MARKETING SYSTEMS		L	520-0238	78	81	3,400	3,400	3,400	1,440	---	1,960	---	---
RURAL ENTERPRISES DEVELOPMENT		G	520-0245	79	83	1,170	350	350	739	---	111	---	---
RURAL ENTERPRISES DEVELOPMENT		L	520-0245	79	83	6,000	6,000	6,000	2,523	---	1,672	---	1,151
RURAL ELECTRIFICATION		L	520-0248	79	83	10,600	10,600	10,600	6,660	---	2,910	---	1,030
SMALL FARMER DIVERSIFICATION SYSTEMS		G	520-0255	81	85	3,696	3,696	3,696	1,104	---	810	---	891
SMALL FARMER DIVERSIFICATION SYSTEMS		L	520-0255	81	85	5,500	5,500	5,500	1,699	---	1,858	---	972
HIGHLANDS AGRICULTURAL DEVELOPMENT		G	520-0274	83	85	1,500	1,500	1,500	155	---	197	---	383
HIGHLANDS AGRICULTURAL DEVELOPMENT		L	520-0274	83	85	10,500	10,500	10,500	752	---	2,978	---	1,691
COMMERCIAL LAND MARKETS		G	520-0278	86	87	---	12,000	---	---	4,500	500	7,500	2,700
COOPERATIVE STRENGTHENING		G	520-0288	86	88	---	8,000	---	---	6,000	3,000	---	3,350
COOPERATIVE STRENGTHENING		L	520-0288	86	88	---	3,000	---	---	1,000	700	---	1,100
LAND MARKET SUPPORT	*	G	520-0267	87	87	---	3,000	---	---	---	---	3,000	400
LAND MARKET SUPPORT	*	L	520-0267	87	87	---	2,000	---	---	---	---	2,000	---
SMALL FISH POND DEVELOPMENT - OPG		G	520-0290	81	81	343	343	343	196	---	52	---	65
INDIAN CARDAMOM CULTIVATION AND COMM - OPG		G	520-0317	84	84	290	290	290	156	---	69	---	65
PILOT COMMERCIAL LAND MARKET		G	520-0330	84	84	1,000	1,000	1,000	334	---	515	---	216

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUATEMALA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTH'D	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
FARM-TO-MARKET ROADS		G	520-0332	85	85	1,000	1,000	1,000	---	---	100	---	225
FARM-TO-MARKET ROADS		L	520-0332	85	85	9,000	9,000	9,000	433	---	4,256	---	2,500
SMALL COMMERCIAL LAND MARKETS II OPG		G	520-0343	85	85	1,000	1,000	1,000	---	---	490	---	255
PRIVATE AND VOL ORGANIZATIONS - OPG'S		G	520-9999	79	C	---	---	---	---	600	200	600	200
TOTAL FOR ACCOUNT						70,999	98,679	78,442	39,576	16,500	22,956	13,500	17,669
GRANTS						9,999	32,679	17,442	10,137	13,500	6,549	11,500	9,225
LOANS						61,000	66,000	61,000	29,439	3,000	16,407	2,000	8,444
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	520-0000	69	C	---	---	293	291	150	125	50	68
EXPANSION OF FAMILY PLANNING SERVICES		G	520-0288	82	87	8,686	14,156	5,983	2,401	2,603	1,071	5,600	2,143
TOTAL FOR ACCOUNT						8,686	14,156	6,276	2,692	2,753	1,196	5,650	2,211
GRANTS						8,686	14,156	6,276	2,692	2,753	1,196	5,650	2,211
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	520-0000	69	C	---	---	607	476	400	398	400	356
COMMUNITY-BASED HEALTH AND NUTR SYSTEMS		G	520-0251	80	85	1,300	1,274	1,274	592	---	383	---	299
COMMUNITY-BASED HEALTH AND NUTR SYSTEMS		L	520-0251	80	85	9,500	9,500	9,500	3,522	---	2,085	---	1,947
RURAL POTABLE WATER AND SANITATION, OPG		G	520-0298	84	84	500	500	500	408	---	92	---	---
RURAL WATER AND SANITATION II - OPG		G	520-0335	85	85	1,000	1,000	1,000	---	---	173	---	414
WATER, WOMEN, AND HEALTH, OPG		G	520-0336	85	85	500	500	500	---	---	150	---	175
IMMUNIZATION/CHILD SURVIVAL		G	520-0339	85	86	6,700	9,700	3,300	---	3,400	2,799	---	2,750

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUATEMALA

CP 87

PROJECT TITLE	* L/G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ORAL REHYDRATION THERAPY	G 520-0342	76	86	---	7,400	---	---	1,400	---	4,292	1,500
TOTAL FOR ACCOUNT				19,500	29,574	16,691	4,998	5,200	6,380	4,692	7,461
GRANTS				10,000	20,074	7,191	1,476	5,200	3,995	4,692	5,494
LOANS				9,500	9,500	9,500	3,522	---	2,385	---	1,967
CHILD SURVIVAL FUND											
ORAL REHYDRATION THERAPY	G 520-0342	[illegible]	[illegible]	---	4,000	---	---	1,600	500	1,708	1,500
TOTAL FOR ACCOUNT				---	4,000	---	---	1,600	500	1,708	1,500
GRANTS				---	4,000	---	---	1,600	500	1,708	1,500
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	G [illegible]	[illegible]	C	---	---	971	795	200	300	200	415
INTEGRATED NON-FORMAL EDUCATION	G [illegible]	[illegible]	85	850	850	350	309	---	254	---	267
INTEGRATED NON-FORMAL EDUCATION	L [illegible]	[illegible]	[illegible]	3,500	4,000	3,000	711	---	906	---	373
RURAL EDUCATION IMPROVEMENT	G [illegible]	[illegible]	85	3,300	3,300	3,300	107	---	276	---	500
RURAL EDUCATION IMPROVEMENT	L [illegible]	[illegible]	88	8,700	8,700	8,700	41	---	1,128	---	2,511
ALTIPLANO HIGHER EDUCATION	G [illegible]	[illegible]	[illegible]	---	5,000	---	---	1,000	500	---	1,500
ADULT LITERACY	G [illegible]	[illegible]	[illegible]	700	700	700	---	---	150	---	200
PRIMARY EDUCATION MANAGEMENT IMPROVEMENT	* G [illegible]	87	[illegible]	---	4,000	---	---	---	---	2,000	650
PRIMARY EDUCATION MANAGEMENT IMPROVEMENT	* L [illegible]	87	[illegible]	---	5,000	---	---	---	---	4,050	800
TOTAL FOR ACCOUNT				17,050	31,550	17,021	1,963	1,200	3,514	6,250	7,276
GRANTS				4,850	13,850	5,321	1,211	1,200	1,480	2,200	3,592
LOANS				12,200	17,700	11,700	752	---	2,034	4,050	3,684

SELECTED DEVELOPMENT ACTIVITIES

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUATEMALA

CP 87

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	520-0000	69	C	---	---	650	381	297	450	100	98
SPECIAL DEVELOPMENT FUND		G	520-0145	63	C	---	---	1,469	1,373	100	135	100	100
SHELTER SECTOR DEVELOPMENT		G	520-0261	86	86	---	300	---	---	300	100	---	115
LOCAL ECONOMIC DEVELOPMENT		G	520-0331	86	86	---	2,000	---	---	2,000	200	---	400
WATER, WOMEN, AND HEALTH, OPG		G	520-0336	85	85	500	500	500	---	---	60	---	220
PRIVATE SECTOR DEVEL COORDINATION, OPG		G	520-0337	85	85	1,500	1,500	1,500	---	---	724	---	385
SMALL/MEDIUM BUSINESS DEVELOPMENT	*	G	520-0341	87	88	---	2,000	---	---	---	---	2,000	353
SMALL/MEDIUM BUSINESS DEVELOPMENT	*	L	520-0341	87	88	---	8,000	---	---	---	---	6,000	800
ELECTRICAL POWER RESERVE		G	520-0344	85	85	7,000	7,000	7,000	7,759	---	1,961	---	---
PRIVATE AND VOL ORGANIZATIONS - OPGS		G	520-9999	79	C	---	---	---	---	1,050	125	---	600
TOTAL FOR ACCOUNT						9,000	21,300	11,119	9,513	3,747	3,760	8,200	3,071
GRANTS						9,000	13,300	11,119	9,513	3,747	3,760	2,200	2,271
LOANS						---	8,000	---	---	---	---	6,000	800
ECONOMIC SUPPORT FUND													
AGRI-BUSINESS DEVELOPMENT		G	520-0276	85	85	3,000	3,000	3,000	24	---	988	---	608
AGRI-BUSINESS DEVELOPMENT		L	520-0276	85	85	9,500	9,500	9,500	---	---	3,500	---	3,000
ECONOMIC SUPPORT PROGRAM		G	520-0309	83	87	---	58,925	---	---	27,921	23,911	15,000	35,000
ECONOMIC SUPPORT PROGRAM		L	520-0309	83	87	10,000	68,925	10,000	10,000	19,921	23,925	55,000	35,000
TOTAL FOR ACCOUNT						22,500	140,350	22,500	10,024	47,842	52,324	70,000	73,608
GRANTS						3,000	61,925	3,000	24	27,921	24,899	15,000	35,608
LOANS						19,500	78,425	19,500	10,000	19,921	27,425	55,000	38,000

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUATEMALA

CP 97

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY					147,735	339,939	152,540	65,877	82,850	90,322	110,000	112,776
GRANTS					45,535	160,314	50,840	22,157	55,925	42,371	62,950	59,901
LOANS					102,200	179,625	101,700	43,720	26,925	47,951	47,050	52,875

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*Refers to the planned project summary sheet

L Level of effort activity

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GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

PROGRAM:

Title Land Market Support	Funding Source DA	AG. RD & N G-3,000 L-2,000	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 5,000 3,000 (G); 2,000 (L) Life of Project Funding 5,000
Number 520-0287 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1987 Estimated Final Obligation FY 1987 Estimated Completion Date of Project FY 1992

Project Purpose: To deepen the development impact and economic effects of the Commercial Land Markets project by providing funding for related essential infrastructure and assistance in securing land titles.

Project Description: Present estimates of persons without access to productive lands in Guatemala reach 250,000, a potential source of considerable political instability. Both land-poor and landless people have demonstrated that if given an opportunity to obtain parcels of land sufficient to feed and produce income for their family, they would willingly move to other regions within Guatemala. According to the 1979 Agricultural Census and limited potential land use data, there are almost 500,000 hectares of first-class, second-class and multiple-use-class land under Government ownership available for distribution and settlement throughout the country, as well as 1.2 million hectares of private, idle lands, some of which could be channeled through the commercial land market mechanism.

In the past, inadequate follow-on support of directed and spontaneous land settlement efforts has relegated existing or new small land holders to subsistence production of traditional crops in areas where considerable potential otherwise exists for production of greater income-producing, nontraditional crops. In addition to lacking basic infrastructure and knowledge of cropping alternatives, these small producers most often do not have clear title to their land. This results in conflicting claims over ownership, insecure tenure, reduced accessibility to formal credit, and limited productive investments.

This project is intended to alleviate some of the foregoing problems. It will provide assistance to beneficiaries of the Penny Foundation Pilot Project and the Commercial Lands Project and other new, small land holders in two areas. The first area will comprehend assistance in securing titles to land and meeting other registration requirements. This will help secure the achievements of the earlier projects and make it easier for small farmers to obtain collateralized credits.

Relationship of Project to A.I.D. Country Strategy: This project relates closely to growth with equity priorities of increased small farmer incomes and employment, and improved land productivity.

Host Country and Other Donors: This project is closely linked to other ongoing and proposed A.I.D.-funded efforts and to host government agricultural credit and extension programs. For the sector, A.I.D. anticipates a series of national policy adjustments such as in interest rate and foreign exchange regimens in export sales which will enhance the prospects of success for new land owners and for more widespread and effective use of the nation's arable land base.

Beneficiaries: The direct beneficiaries of this project will be an estimated 8,000 farm families other than beneficiaries under the Commercial Land Markets Project. Other, indirect beneficiaries include suppliers and users of services and products related to the activities sponsored, and other farm families who will eventually benefit indirectly through the development of a set of more efficient operations which will support broader programs of land use improvements throughout the country.

Outputs
-Community farm roads contructed
-Potable water systems constructed
-Community centers/storage facilities built
-Farm houses constructed
-Farmers trained in agricultural production/marketing
-Macro land productivity studies

A.I.D. Financed Inputs	($000)
Technical assistance	2,000
Commodities	300
Training	500
Construction	2,200
TOTAL	$5,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-		
Estimated Fiscal Year 1986	-		
Estimated Through September 30, 1986	-		
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000		5,000

Principal Contractors or Agencies

The Penny Foundation

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title Primary Education Management Improvement			Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 6,050 G-2,000; L-4,050	Life of Project Funding G-4,000; L-6,000
Number 520-0320 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population		ED. & HR G-2,000 L-4,050	Sel. Act.	Initial Obligation FY 1987	Estimated Final Obligation FY 1988
							Estimated Completion Date of Project FY 1992

Project Purpose: To develop in the Ministry of Education (MOE) an administrative program more responsive to regional needs and differences, thereby strengthening MOE management of the primary education system.

Project Description: An evaluation of the current administrative system of the MOE conducted in 1983 indicated that program implementation is burdened with too great a focus on urban education, excessive and counterproductive regulations with little coordination between the central administration and field operational programs, and limited relevance to regional realities. Current high drop-out rates (50% at the end of the first grade) can be partially attributed to the resulting poor quality of rural education.

The project will assist the MOE to decentralize its decision-making process, stressing greater attention to the qualitative problems of rural education and regional differences. Through a series of nationwide studies, underutilized primary school resources will be examined and detailed recommendations made to improve the efficiency of the existing infrastructure. Based on these recommendations, administrative reforms will be introduced and tested. Seven regional offices will adopt improved management systems and procedures necessary to permit delegation to them of budget, fiscal and administrative reform responsibilities.

To prepare educational supervisors for decentralization, regional and district supervisors and school principals will receive training coordinated by the in-service training unit created under the Educational Administration Project in 1984. This training will emphasize personnel administration, planning/budgeting and curriculum development areas. In addition, Guatemalan private universities will be encouraged to expand their curriculum offerings to strengthen local academic training to implement programs aimed at primary school supervisors and school administrators.

Relationship of Project to A.I.D. Country Strategy: Basic education and related skills training contribute directly to A.I.D.'s strategic objectives of agricultural development, lower fertility and increased health and nutritional status. The predominance of adult illiteracy, as well as the large number of rural children with limited or no educational opportunities, creates special problems for the implementation of development programs. The project directly supports country strategy objectives by concentrating on the management and planning of primary education programs. Further, it complements ongoing activities to expand and support bilingual education programs among monolingual Indian children.

Host Country and Other Donors: The IDB is concentrating on improving access to rural education by constructing rural primary schools through a $28 million loan signed in 1983. The World Bank is focusing on the qualitative improvements of the primary education system through an $18.5 million loan to create a national textbook program. The GOG is developing a national policy to improve the quality of primary education for Guatemala and will provide substantial counterpart funding to the project.

Beneficiaries: The direct beneficiaries will be the 7,000 school principals who will undergo school administration training and receive improved support services and the 3[illegible] supervisors and 250 central administrators who will be trained in modern management practices. The indirect beneficiaries will be the 30,000 teachers who will receive better supportive services and the 850,000 pupils enrolled in the rural primary schools.

Outputs
-New regional educational supervision centers constructed
-New departmental supervision educational offices constructed
-Functioning supervision districts
-Trained admin personnel, central personnel, technicians, supervisors, master teachers, principals, and teachers

Inputs	($000)
Technical assistance	1,000
Commodities	1,800
Training	4,000
Other costs	3,200
TOTAL	$10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				Ministry of Education
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	6,050	3,950	10,000	

PROGRAM GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title Small-Medium Business Development	Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (in thousands of dollars) FY 87 8,000 (G-2,000; L-6,000) Life of Project Funding 2,000 (G) 8,000 (L)
Number 520-0341 ☒ GRANT ☒ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 8,000	Initial Obligation FY 1987 Estimated Final Obligation FY 1988 Estimated Completion Date of Project FY 1992

roject Purpose: To improve the systems for delivery of credit and echnical assistance to small and medium-size enterprises.

Project Description: The Guatemalan financial system, made up of commercial banks and financieras, has traditionally been reluctant to lend to new small business borrowers. Such borrowers seldom can meet the heavy collateral conditions (up to 200% of the value of a proposed loan) required by the banks. Medium-sized firms, though better capitalized, also have difficulty in obtaining financing when it is only supported by future returns flowing from a successful business expansion or investment. Finally, both small and medium sized firms lack appropriate and cost-effective technical assistance to address their production, marketing, and general management problems.

A.I.D.'s credit and technical assistance activities under its existing Rural Enterprises (520-0245) and Agribusiness (520-0276) projects are making progress in providing resources to specific areas of the small-medium business sector to complement A.I.D.'s rural development/small farmer strategy. Nontheless, some of the institutions involved in these projects -- the Bank of Guatemala and the National Training and Productivity Center (INTECAP) -- need to improve their procedures to provide timely and appropriate support to the small-medium business sector. The proposed project will strengthen some of these government interventions and will test other more innovative mechanisms.

The project will provide the following: (1) technical assistance and training in engineering and small business accountancy by INTECAP to enable small businessmen to improve productivity and to better use equity and credit resources; and, (2) grant-funding of pilot testing, production and marketing of new products by small businesses in order to encourage the development of new, more profitable product lines.

The credit portion of the project will provide subloans under $800,000 to a wide variety of industrial, commercial and service small businesses ("small" or "medium" being defined as less than $250,000 or $2.0 million, respectively, in net fixed assets). Three alternative delivery systems will be explored for credit under the project:

(1) A.I.D.-supported insurance of lending by local financieras and commercial banks to small businesses throughout the country to encourage local banks to lend to longer-term, non-traditional business ventures of medium size.

(2) Management of an A.I.D. grant-financed small business revolving fund by a local private bank or branch office of a multinational bank with the bank managing the fund as well as contributing matching credit resources in return for an adequate interest spread to defray additional staff costs and profit.

(3) Lending to very small businesses through urban-based credit unions. Such lending would be channeled through the Bank of Guatemala and the National Credit Union Federation (FENACOVI).

Relationship of Project to A.I.D. Country Strategy: Increasing rural incomes and productivity is a central strategy objective of the A.I.D. program. The development of small-medium private enterprise and the stimulation of local public and private sector institutions which support such businesses are an integral part of this strategy. This project will also support this objective by diversifying credit channels available to small borrowers and by increasing private sector investment for small businesses.

Host Country and Other Donors: It is expected that the elected government which takes power in January 1986 will be committed to effective action to revitalize the economy and will see small and medium-size businesses as an appropriate means for generating employment, income and foreign exchange. Recently, a delegation of Swiss businessmen, representing a Swiss foundation associated with the Swiss government, expressed their interest in collaborating in a project aimed at developing small and medium size businesses. Their participation could be limited to the creation of a credit guarantee fund but could also include technical assistance.

Beneficiaries: Initially, 150 small business owner/managers and 1,000 employees will be benefitted by the project. It also will point the way to bolster more effective small business practices and further increase the size of the entrepreneurial class.

Outputs

Subloans to small businesses
Small business productivity/profitability increased by 50 percent
    during LOP due to technical assistance
Local business consultants trained
Pilot testing of new products

Inputs	($000)
Technical assistance	500
Credit funds for Commodities or services	8,000
Training	500
Other costs	1,000
TOTAL	$10,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	8,000	2,000	10,000

Principal Contractors or Agencies

1. Bank of Guatemala
2. National Training and Productivity Center

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title Private Voluntary Organizations (Operational Program Grants)		**Funding Source** DA	**AG, RD & N** 600	**Health**	**PROPOSED OBLIGATION** *(In thousands of dollars)* FY 87 600	**Life of Project Funding** Continuing
Number 520-9999 ☒ GRANT ☐ LOAN	☐ NEW ☒ CONTINUING	**Population**	**ED. & HR**	**Sel. Act.**	**Initial Obligation** FY 1979	**Estimated Final Obligation** FY Continuing **Estimated Completion Date of Project** FY Continuing

Project Purpose: To provide a system of grants to expand innovative development activities by private voluntary organizations (PVOs).

Project Description: A.I.D. is supporting a variety of rural development activities carried out be U.S. and local PVOs in the poorest departments of Guatemala. One local PVO, the Asociacion Pro-Agua del Pueblo (ADP), is helping rural communities to build water systems and latrines. It is also providing health education courses to thousands of community participants in the highlands. Another local PVO, the Fundacion del Centavo (Penny Foundation), has established a mechanism to permit small farmers to purchase arable lands and is providing them with production credit and technical assistance to make their investments profitable. Also A.I.D. is using a local Chamber of Commerce to channel funds to two local PVOs, to provide technical assistance to small-medium Guatemalan businesses. Indian families in Momostenango producing woolen products will benefit from improved knowledge of processing and weaving techniques and small-medium Guatemalan businesses will receive technical assistance to permit them to take advantage of Caribbean Basin Initiative activities through non-traditional, labor-intensive exports. To raise the educational levels and knowledge of socially and economically disadvantaged adults, especially Indians, a PVO is expanding its radiophonic instruction program to increase enrollment in the Spanish primary education program. A.I.D. will continue to support these activities in the future.

A grant to CARE promotes access to potable water in the rural Highland areas to benefit inhabitants. The Non-Formal Education Secretariat of the Ministry of Education is developing health extension materials and local health promoters are being trained. CARE is also working with small farm families in the Franja Transversal del Norte to stimulate the production, drying, and marketing of cardamom. The Ministry of Agriculture research and extension agencies are providing technical assistance in cardamom production. Also CARE is promoting family fish ponds in rural sectors to benefit about 3,000 families. The Ministry of Agriculture's existing fisheries are being improved and extension agents and local promoters have been trained.

Relationship of Project to A.I.D. Country Strategy: PVOs play an important role in the A.I.D. development strategy and foster community participation in projects which address specific development needs within the priorities identified by A.I.D. OPGs are increasing rural productivity and participation, and increasing access of the poor to education, health, family planning, and other development programs.

Host Country and Other Donors: The GOG and other donors contribute to the development projects of the PVOs in Guatemala by providing funding, personnel, facilities, equipment, and commodities. The Government's National Reconstruction Committee serves as a catalyst to promote PVO development. Government institutions are active participants in the planning and implementation of OPGs. The Ministry of Agriculture contributes personnel, equipment and facilities to CARE to carry out the family fish pond and cardamom projects. The rural development agency, Desarrollo de la Comunidad, provides personnel and equipment to complement the CARE potable water activities.

Beneficiaries: OPG beneficiaries are poor families living in the rural highlands of Guatemala. The beneficiaries contribute to the project primarily by providing labor and locally available materials. Where recurrent costs occur, mechanisms are established for community members to save or pay for services to cover these costs.

Outputs: Access to potable water, trained small farmers, health workers, increased agricultural production.

Inputs: Institutional support, training.

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	**Estimated Total Cost**
Proposed Fiscal Year 1987	600	Continuing	Continuing

Principal Contractors or Agencies

HONDURAS

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                                   FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (522) HONDURAS

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      4,499

PER CAPITA GNP........... (DOLLARS,1983)       670

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.6%

ANNUAL RATE OF INFLATION (1973-83)  8.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1967)   2.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 60.7  MALE 58.8  FEMALE 62.7
                     (1970)   TOTAL 52.5  MALE 50.8  FEMALE 54.3

ADULT LITERACY RATE  (1974)   TOTAL  57%  MALE  59%  FEMALE  55%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                              (1975-1984)   0.8%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    25%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        77


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: CORN ,BEANS-DRY ,RICE                  25%    (1984)
  CASH: BANANAS ,COFFEE ,RAW SUGAR                    52%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) BANANAS ,COFFEE ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,OILSEEDS ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE.........(1979)    60%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
                (1979)       316 (80)        374 (81)        371
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
                (1979)       366 (80)        449 (81)        442
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
                (1979)       -40 (80)        -70 (81)        -73
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1974) 11.4% (75) 11.5% (76) 10.4%
  AS % OF GNP................. (1977)  2.0% (78)  2.4% (79)  2.4%

OFF.CIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)             (1982)   113 (83)   115 (84)   129
  EQUIVALENT TO  1.3 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)BANANAS          ,COFFEE          ,LUMBER

EXPORTS TO U.S.
   ($ MILLIONS, US. FOB) (1982)  351  (1983)  395  (1984)  409
   AS % OF TOTAL EXPORTS (1981)   60% (1982)   57% (1983)   61%

MAJOR IMPORTS(1983)MFRD PRODUCTS  ,MACHINERY        ,TRANSP EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US. CIF) (1982)  273  (1983)  328  (1984)  354
   AS % OF TOTAL IMPORTS (1981)   51% (1982)   44% (1983)   46%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -115(82)      -4(83)   -66

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    83.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................. (1983)   121
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  17.4%
--------------
*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   3.1% (1978)   3.4% (1985)  3.3%

POPULATION IN URBAN AREAS............(1970)    29%   (1985)   39%

LIVE BIRTHS PER 1,000 POPULATION.  ...(1970)            (1985)    41

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)  21.0%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 46.8% (15-64YRS) 50.4% (65+ YRS)  2.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  73

PEOPLE PER PHYSICIAN................. (1979)  3,123

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA        ,MALARIA         ,AMOEBIASIS
DEATH.. (1979) ENTERIC DISEASE  ,UNKNOWN AILMENTS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    95%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  44%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1982)  TOTAL  95.1   MALE  99.9    FEMALE  97.8
SECONDARY........ (1982)  TOTAL  26.2   MALE  24.0    FEMALE  24.7
POST SECONDARY..  (1980)  TOTAL   6.4   MALE   7.9    FEMALE   4.9

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     12.2%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY HONDURAS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	53.1	35.4	80.7	106.2	95.2	632.2	56.1	576.1
Loans	40.9	23.1	61.5	45.0	38.5	350.4	56.1	294.3
Grants	12.3	12.4	19.2	61.2	56.7	281.8	-	281.8
a. A.I.D. and Predecessor Agencies	43.9	33.7	67.4	87.5	71.2	523.0	42.3	480.7
Loans	34.9	30.2	54.0	35.0	23.5	329.8	42.3	287.5
Grants	9.0	3.5	13.4	52.5	47.7	193.2	-	193.2
(Economic Support Fund)	-	-	35.0	56.0	40.0	134.6		
b. Food for Peace (PL 480)	7.2	9.6	12.1	15.5	23.2	82.5	4.5	78.0
Loans	3.0	5.1	7.0	10.0	16.0	52.5	4.5	48.0
Grants	4.2	4.5	5.1	5.5	7.2	30.0	-	30.0
Title I – Total Sales Agreements	3.0	5.1	7.0	10.0	16.0	52.5	4.5	48.0
Repayable in U.S. Dollars – Loans	3.0	5.1	7.0	10.0	16.0	52.5	4.5	48.0
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	4.2	4.5	5.1	5.5	7.2	30.0	-	30.0
Emerg. Relief, Econ. Develop. & World Food Program	1.3	3.1	2.4	1.6	2.9	11.1	-	11.1
Voluntary Relief Agencies	2.9	1.4	2.7	3.9	4.3	18.9	-	18.9
c. Other Economic Assistance	2.1	2.3	2.7	3.2	1.5	46.7	9.1	37.4
Loans	-	-	-	-	-	8.1	9.1	1.2-
Grants	2.1	2.3	2.7	3.2	1.5	38.6	-	38.6
Peace Corps	1.9	2.4	2.7	3.2	1.5	30.9	-	30.9
Narcotics	-	-	-	-	-	0.1	-	0.1
Other	0.2	0.1	*	*	*	7.7	-	7.7
II. MILITARY ASSISTANCE – TOTAL	3.9	[illegible]	31.3	48.3	77.4	198.5	25.2	173.3
Credits or Loans	3.5	[illegible]	19.0	9.0	-	52.4	25.2	27.2
Grants	0.4	[illegible]	12.3	39.3	77.4	146.1	-	146.1
a. MAP Grants	-	-	11.0	38.5	76.1	131.6	-	131.6
b. Credit Financing – FMS	3.5	[illegible]	19.0	9.0	-	52.4	25.2	27.2
c. Military Assistance Service Funded (MASF) Grants	.4	[illegible]	1.3	0.8	1.3	12.4	-	12.4
d. Transfers from Excess Stocks	-	-	-	*	-	2.0	-	2.0
e. Other Grants	-	-	-	-	-	0.1	-	0.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	57.0	[illegible]	112.0	154.5	172.6	830.7	81.3	749.4
Loans	44.4	32.0	80.5	54.0	38.5	402.8	81.3	321.5
Grants	12.6	13.1	31.5	100.5	134.1	427.9	-	427.9
Other U.S. Government Loans and Grants	33.9	3.4	3.1	-	3.2	58.3	52.6	5.7
a. Export-Import Bank Loans	32.5	3.4	2.1	-	-	56.0	52.2	3.8
b. All Other Loans	1.4	-	1.0	-	3.2	2.3	0.4	1.9

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	89.6	154.3	15.3	1286.7
IBRD	45.0	19.6	6.9	510.2
IFC	0.0	0.0	0.0	10.4
IDA	0.0	0.0	0.0	82.6
IDB	42.2	134.1	8.4	648.9
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.4	0.0	0.0	28.4
OTHER-UN	0.0	0.6	0.0	6.3
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	70.0	63.0	234.0
Japan	6.5	17.3	47.5
Canada	4.5	5.2	28.4
Germany, Fed. Rep.	7.4	4.0	27.7
Switzerland	4.5	5.2	17.2
Other	6.7	10.1	34.1
Total	99.6	104.8	388.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

HONDURAS

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	19,800	5,300	-	8,000	3,000	3,500	-	-
Grants	179,533	11,250	2,771	3,100	2,662	4,750	147,500	7,500
Total	199,333[1]	16,550	2,771	11,100	5,662	8,250	147,500	7,500[2]
1986								
Loans	15,587	12,600	-	2,387	600	-	-	-
Grants	88,876	14,078	4,136	3,460	3,929	2,025	61,248	-
Total	104,463	26,678	4,136	5,847	4,529	2,025	61,248	-
1987								
Loans	20,300	12,200	-	-	3,500	4,600	-	-
Grants	120,725	8,702	4,910	3,617	4,044	9,452	90,000	-
Total	141,025	20,902	4,910	3,617	7,544	14,052	90,000	

1/ Includes $79.4 ($5 million in HE, $300,000 in EHR, $1.6 million in SDA and $72.5 million in ESF accounts) from the FY 1984 Supplemental Appropriation.

2/ International Disaster Assistance

FY 1987
PROGRAM HIGHLIGHTS

- Continuation of balance of payments support ($90 million of Economic Support Funds and $14 million of P.L. 480 Title I) to assist Honduras in achieving economic stabilization and moving towards economic recuperation; including imports of raw materials, spare parts, intermediate goods and wheat to maintain an adequate level of productive activity and employment, and provide a commodity Honduras is incapable of producing on a major scale.
- Initiation of two new projects: Private Sector Productivity Enhancement ($1.627 million) and National Administration of Justice ($500,000).
- Continuation of efforts to expand Honduras' exports (focussing on non-traditional goods), stimulate the private sector, and strengthen equitable growth.

HONDURAS

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	27,284	37,504	35,929
Grants	103,115	151,964	116,583
Total AID	130,399	189,468	152,512
P.L. 480 **			
Title I	15,000	15,000	14,000
(of which Title III is)	(2,451)	(–)	(–)
Title II	3,557	3,312	3,758
Total P.L. 480	18,557	18,312	17,758
Total AID and P.L. 480	148,956	207,780	170,270

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	104,000	15,000	86,000	13,000	109,000	14,000
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	6,000	2,000	–	–
Title I Total	104,000	15,000	92,000	15,000	109,000	14,000
(of which Title III is)	104,000	15,000	–	–	–	–
Title II [1/]						
Voluntary Agencies	11,954	3,557	12,747	3,312	14,562	3,758
Government - to Government	–	–	–	–	–	–
Title II Total	11,954	3,557	12,747	3,312	14,562	3,758
Total P.L. 480	115,954	18,557	104,747	18,312	123,562	17,758

[1/] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

HONDURAS

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	35	34	34
PASA[b]	6	6	6
TOTAL	41	40	40

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	11	13	24	12	30	42	10	90	100
Regional[e]	39	264	303	104	301	405	202	315	517
TOTAL	50	277	327	116	331	447	212	405	617

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	6	8	14	10	23	33	–	10	10
Regional[e]	–	–		–	–		–	–	
TOTAL	6	8	14	10	23	33		10	10

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

HONDURAS

Development Overview

Honduras, while remaining the poorest country in Central America with 1984 per capita gross domestic product estimated at $753, has evidenced some improvement in economic performance with a 2.8% increase in real GDP in 1984 and an optimistically estimated 3% increase in real GDP for 1985. The outlook for continued economic growth in 1985 is mixed, however, with some economists predicting that the real growth rate will be only slightly positive. This improvement follows a 14% decline in real per capita income during the 1980-83 period. Even with the 1984 and 1985 improvements, very serious economic problems remain. In 1984, unemployment was estimated to be 25%, large fiscal and balance-of-payments deficits remained, and debt service payments represented an estimated 22% of export earnings.

External competitive weaknesses have not been overcome and Honduran exports have become increasingly less competitive in international markets. This is reflected in a falling market share of Honduran exports to the United States and in a current account deficit in the balance of payments estimated at 12% of GDP in 1984. Honduras' international price competitiveness vis-a-vis her principal export competitors has weakened during each of the years over the 1980-84 period. Partly as a result of this, exports as a percentage of GDP have fallen from 38.9% in 1980 to an estimated 27.8% in 1984. Net international reserves fell 26% between 1983 and 1984, leading the government to increase foreign exchange controls. On the fiscal side, the budget deficit of the Government of Honduras (GOH) was $368 million in 1984, with the budget gap for 1985 estimated at $385 million. The 1984 deficit was financed largely by Central Bank credit and by external sources. On the plus side, inflation remained low as evidenced by a 4.8% increase in the Consumer Price Index in 1984.

The modest 2.8% increase in real GDP for 1984 falls short of the 3.4% annual increase in population and the 3.5% to 3.8% annual expansion of the Honduran labor force. During the 1985 to 1990 period, an additional 300,000 workers are projected to enter the Honduran labor force.

The continuing political unrest in Central America has exacerbated Honduras' economic problems. Tensions in the country's relationship with a heavily armed and belligerent Nicaragua, the guerrilla conflict in El Salvador, and economic uncertainty in Guatemala have created an atmosphere of uncertainty among domestic and foreign investors. This regional environment is hindering development efforts despite the absence of conflict in Honduras itself, where the democratic system re-established in 1981 was strengthened by the November 1985 election of a new civilian government. Given the security situation in the region and the difficult issues facing the country, long-term economic improvement will require some unenviable choices by this newly-elected government. Some shifts in A.I.D.'s program may be required as the new government defines its development priorities.

Honduras possesses considerable land and other natural resources, although these are far from fully developed. Less than 20% of potentially arable land is used for agriculture. Of potentially irrigable land only 14% is irrigated. Of the irrigated land, 75% is in bananas and sugar cane, primarily for export. Average yields of basic grains and export crops are the lowest in Central America. Only about 3% of Honduran farmers use formal agricultural credit. The ratio of roads to territory is less than one fourth the average for Central America, limiting the expansion of agricultural production into new areas and hampering access to markets and services. Forest resources are in decline due to population pressures, poor administration and lack of replanting. Over 20% of the total remaining forests in Honduras were lost during the last decade. Land erosion affects a quantity of land greater than that being cultivated. The human resource base is weak and infrastructure (e.g., transportation and communications) and public services (e.g., health care and primary education) are inadequate to support rapid development. Despite remarkable improvements in health care and family planning in the last four years, Honduras continues to have the highest fertility rate in the region. Rapid population growth is jeopardizing the development potential and future of the country. Private sector organizations suffer from poor mid-management skills and lack of an entrepreneurial mentality.

Despite its poverty, Honduras has extended and expanded basic economic and social opportunities for its people. Since 1960, the literacy rate has increased from 45% to 60%; life expectancy has risen from 46 to 58 years; infant mortality has fallen from 150 to 78 per thousand; immunization coverage has risen to close to 70% of those under the age of one; and primary school enrollment has increased from 57% to 89%. In addition, Honduras has had an agrarian reform law since 1962 which gave rise and offered recognition to organized peasant organizations, thereby providing channels of communication between these organizations and the GOH. This progress and the society's predilection to resolve its problems in an equitable manner have been instrumental in maintaining social stability and in sparing Honduras the internal unrest evidenced among its Central American neighbors. Honduras is a pluralistic society with a basic respect for human rights. In addition, there are prospects for further economic and social progress based upon investments already made in infrastructure, and in the productive and social sectors.

The recently elected democratic government is committed to the national values noted above and is dedicated to the further economic and social progress of the nation. However, the GOH may be reluctant to undertake exchange rate adjustment due to its preoccupation with the possible inflationary impact such a measure could have on the economy.

The U.S. assistance program will continue to: (1) respond selectively to the development priorities of Honduras and the recommendations of the NBCCA; (2) focus in those areas where basic policies are sound and potential for productivity increases is high; and (3) shift activities to the maximum extent possible from the public to the private sector.

U.S. Interests and Objectives

Honduras is a traditional trading partner and a democratic ally. U.S. bilateral interests and objectives in Honduras are articulated in the Central American Initiative: advancing the cause of democracy, promotion of peaceful change, and improvement in living conditions through development. The goals of this initiative are economic stabilization and recuperation, economic growth, broadening the benefits of economic growth, and strengthening democratic institutions.

A.I.D. Development Strategy

The A.I.D. development strategy is being undertaken in the context of substantial support for Honduras' development efforts provided by numerous other bilateral and multilateral donors. In 1984, donor assistance to Honduras in the form of aid disbursements amounted to about $496 million, with major bilateral donors being A.I.D. (about $135 million), Canada (about $6.4 million), the Federal Republic of Germany (about $19 million) and Japan (about $14 million). Multilateral donors were led by the Inter-American Development Bank (about $135 million), followed by the World Bank (about $54 million) and the Central American Bank for Economic Integration (about $30 million). A.I.D. coordinates its assistance through frequent contacts and discussions with the concerned GOH officials and with representatives of these other bilateral and multilateral agencies. In this manner, complementary programs are maximized and duplication of effort is minimized.

Within the context of the overall development efforts in Honduras, and using the Central American Initiative as a point of reference, A.I.D.'s development strategy supports Honduras' development goals and has both short- and long-term objectives.

The short-term objectives are to: encourage structural adjustment without setting off a destabilizing inflationary spiral; increase exports; restore economic equilibrium; develop the policy base for sustained growth; reduce current and potential social tension stemming from high unemployment levels; and meet basic human needs. A major A.I.D. goal is to assist the GOH to implement its stated policy to improve the efficiency of public enterprises by exposing them to competitive market forces and, where possible, transferring their operations to the private sector. To help stabilize the economy, A.I.D. is providing balance-of-payments support which is linked to incremental macroeconomic policy reforms.

Over the medium term, sustained economic growth must be based on a significant increase in private sector investment, especially in non-traditional exports. But the benefits of growth must be shared more equitably, and reflected in improved living conditions for the large majority of Hondurans who continue to live in poverty, if the current social contract is to be maintained. Therefore, A.I.D.'s development assistance efforts also have the long-term objectives of increasing employment, assuring adequate nutrition levels, improving equity and participation of the poor in the country's economic development, and strengthening public and private services to better meet basic human needs. This is and will be accomplished by improving sectoral development policies, expanding private sector production, fostering technology transfer, and developing a stronger human resources and institutional base. A.I.D.'s efforts in institutional development for delivering agricultural, education, and health/family planning services will continue.

Over the balance of the Central American Initiative period, A.I.D. will continue to support the establishment of an appropriate macroeconomic framework for economic stabilization and recuperation, complemented and reinforced by specific projects to enhance economic and human productivity. Economic productivity will be strengthened through a focus on small- and medium-sized producers in the private sector to increase production of traditional and non-traditional products and crops, with an emphasis on export expansion. Such efforts will increase agricultural production and incomes through activities such as the expansion of crop diversification, research, marketing and rural infrastructure. With respect to human productivity, A.I.D. will focus on improving the quality of primary education, increasing vocational and technical training, and expanding the availability of health and family planning services.

The A.I.D. objectives articulated above are in consonance with those of the GOH, as set forth in its recent 1986-89 National Development Strategy. The basic goal of this strategy is to raise the well-being of the Honduran people through increased participation in the economic, social and political systems. To carry out this strategy, the GOH has proposed total public investments of $2.15 billion over the four-year period, with financing to be provided from domestic (about 30%) and external (about 70%) sources.

A.I.D. Program (FY 1985 and FY 1986)

A. Economic Stabilization and Recuperation

The principal element of the U.S. Government's economic stabilization and recuperation effort has been Economic Support Fund (ESF) assistance. Through the end of 1985, a total of $280.3 million has been provided for balance of payments support. Approximately $61 million will be provided in FY 1986. This assistance provides needed foreign exchange to Honduran producers for the importation of raw materials, spare parts and intermediate goods from the United States, thereby maintaining a level of productive activity and employment which would otherwise be much lower. ESF assistance plays a critical role in addressing key economic distortions, while attempting to achieve the Central American Initiative objective of a 3% annual growth rate in real per capita GDP. This assistance is provided in direct support of the steps the GOH is taking to develop and implement a program of economic stabilization, recuperation and structural reform, while maintaining social stability. In the area of public finance, these steps have included public expenditure restraint and rationalization of public expenditures, a reduction of public sector participation in productive activities, and rationalization of the overall structure of taxation and fees for public services. In the area of foreign trade, these steps have included the liberalization of administrative restrictions to trade and payments.

Other structural reforms include the rationalization and management of the country's external debt and the rationalization of domestic credit allocation. The implementation of these reforms has required that A.I.D. work closely with the GOH in developing an implementation strategy that is achievable and politically feasible.

P.L. 480 Title I/III principally provides wheat for the Honduran domestic market, a commodity Honduras is incapable of producing on a major scale and which would otherwise require use of scarce foreign exchange for commercial imports.

Through A.I.D.'s ESF and P.L. 480 Title I/III assistance, an equivalent amount of local currency has been allocated to: (1) support the divestiture of public enterprises and expansion of non-traditional exports; (2) support productive activity by providing credit and assistance to small- and medium-scale enterprises, Private Voluntary Organizations (PVOs) agricultural cooperatives, educational institutions, and other rural groups and entities carrying out activities that support the A.I.D. and GOH development strategy; and (3) contribute to the local costs of development projects supported by A.I.D. and by other donors, as well as selective budget support to GOH programs related to A.I.D.'s program.

B. Economic Growth

- Agriculture, Rural Development and Nutrition: Since agriculture employs over 60% of Honduras' work force, generates 80% of its exports, and contributes 30% of the GDP, the A.I.D. program has continued to concentrate on programs in agriculture and rural development.

Three major projects were initiated during FY 1985. The Rural Trails and Access Roads II project (522-0214) continues major assistance in the area of rural infrastructure. This project will meet 10% of Honduras' rural access road requirements, and develop the institutional and physical capacity to continue a viable road maintenance program. It builds upon the lessons learned under the ongoing Rural Trails and Access Roads project (522-0164), under which about 1,400 kilometers of construction have benefitted approximately 170,000 people in rural areas, enabling their goods to get to market less expensively and in greater quantities, and providing increased access to educational and health services. Under the terminating Agriculture Sector II project (522-0150), A.I.D. has successfully promoted adaptation to Honduras of an economically viable agricultural cooperative model. This model is characterized by the use of businesslike criteria to guide service delivery (e.g., competitive pricing of services, and accounting and budget controls), adherence to strict lending policies, and attainment of financial self-sufficiency. The principles involved in this model were incorporated in the Small Farmer Organization Strengthening project (522-0252) which provides technical assistance to strengthen the management, financial and marketing operations of existing farmer organizations, including cooperatives and rural credit unions. Complementing this effort is the Model Cooperative Development OPG (522-0300), which supports farmer cooperative development and is being implemented by the Agricultural Cooperative Development International. Under the Strategic Planning and Technical Support project (522-0269), A.I.D. assistance will enhance Honduran capabilities to identify priority development problems and to design approaches, strategies, and plans to address these problems in the context of the Central American Initiative objectives. The project will also provide technical support services in priority development areas.

During FY 1985, one Development Assistance project (Agricultural Research, 522-0139) was successfully completed, with lessons learned from this activity incorporated into new projects such as support for the establishment of a private research foundation.

A.I.D. is assisting six specific efforts to increase agricultural exports, production and incomes. The Export Development and Services project (522-0207) is designed to increase the quantity and quality of non-traditional agricultural and industrial exports by providing a policy environment that favors export development, provides information and services to potential exporters, and makes available foreign exchange and local financing mechanisms for non-traditional exports. In support of this effort, the Honduran Congress passed a temporary import law, an export incentives law, and revised an agricultural development law to encourage production for export. On the agricultural side, the project will increase small farmer access to inputs and markets. An estimated 50,000 farmers and agricultural laborers will benefit from this effort, with an anticipated 4,300 jobs and annual level of $16 million in agricultural exports generated by 1990. With respect to non-traditional industrial exports, by the end of 1986 the project will have stimulated additional exports valued at about $12 million per year, with the concurrent creation of about 2,400 jobs. The Agricultural Research Foundation project (522-0249) supports a private research center focusing on increasing yields and decreasing costs through the development of improved technologies both for non-traditional and traditional crops. This institution will be the primary source of technology for the transformation of Honduras' agricultural sector. The foundation responds to research requests from private exporters and commercial growers, and provides information on technology transfer.

The Rural Technologies project (522-0157) finances the development of technologies to improve irrigation, tillage, storage and processing of crops. Over 7,900 rural families are or will be direct beneficiaries of the project. A recent economic analysis indicated that, as a result of the adoption of these technologies, beneficiary family incomes have been increased an average of about $160 per annum, representing a 50% increase in average income as a result of participation in the project. The Natural Resource Management project (522-0168), which will be expanded in FY 1986, has developed and successfully disseminated other complementary low capital technologies to improve yields on marginal hillside farms. The project is maintaining or improving farm incomes while reversing the ecological damage caused by slash and burn cultivation. To date, 2,800 farm families have participated in the project, 184 community groups have been organized, 7,400 hectares of hillside land are under improved management, and three million trees have been produced and planted. The improved techniques being adopted have enabled recipient farmers to double productivity and diversify into more remunerative crops.

The Small Farmer Coffee Improvement project (522-0176) is disseminating technology necessary to preserve Honduras' coffee exports despite the presence of coffee rust. Production on rehabilitated plantations has increased three-fold. Based upon the success of this effort to date, this project will be extended and expanded in FY 1986 with a focus on agricultural diversification. The Small Farmer Livestock project (522-0209) is promoting beef and dairy production on small farms through an in-kind lending program, technical assistance and the provision of animal health supplies from a large private cattlemen's association. The project will increase the incomes of 5,500 livestock-producing families by 1990, and will benefit Honduran consumers by providing greater quantities of domestically produced beef and dairy products to the local market.

During FY 1986, two projects (Agricultural Sector II, 522-0150; and Agricultural Credit, 522-0178) and three Operational Program Grants (Credit Cooperative Development-FACACH, 522-0177; ANACH Regional Cooperative Development, 522-0203; and Small Farmer Agricultural Diversification OPG, 522-0227) will be completed.

Under the P.L. 480 Title II Program, a recent evaluation has resulted in the decision to refocus the CRS-implemented program of food-for-work efforts to construct basic infrastructure, principally in rural areas.

A.I.D. is working with Honduras to initiate two major efforts in FY 1986. The Irrigation Development project (522-0268) will address the lack of irrigation, a critical constraint to improving agricultural productivity. This project will expand the area of farmland under irrigation by 7,000 hectares and improve the capacity of the GOH and farmers to plan, manage and finance irrigation activities. The aim is to increase agricultural production, employment, income and export earnings. The Agricultural Marketing project (522-0271) will build upon experience gained under the Agriculture Sector II project (522-0150) to improve the private sector marketing network and to reorient the Agricultural Marketing Institute to promote private sector marketing of basic grains and other crops, such as fruits and vegetables.

To date, the combination of projects noted above has reached approximately 34,000 families, about 17% of the farm population. The direct benefits to farmers include a wide range of services, products, and technical assistance which have resulted in improved yields, income, and standards of living. Yield increases directly attributable to these projects vary from about 20% to 300%, depending on crops, areas, and types of technology applied. With A.I.D.'s current and planned projects, it is anticipated that over 25% of Honduran farm families (approximately 300,000 individuals) will directly benefit by 1990.

- Education and Human Resources: The Development Administration project (522-0174) will conclude in FY 1986. This project has assisted the Ministry of Finance to improve its administrative and management procedures, contributing to a 21% increase in real revenues between 1983 and 1984. In addition, the Environmental Education OPG (522-0234), which aims to strengthen the institutional capacity of the Honduran Association of Ecology, and the Labor Union Education OPG (522-0245) will be successfully completed.

The Association of Honduran Managers and Entrepreneurs will continue to implement the GEMAH Institutional Strengthening OPG (522-0256). This project is exceeding its targets for expansion of membership, number of management training courses offered, new courses developed, and the provision of a cadre of trained management instructors. It is strengthening the technical and managerial skills of the Honduran private sector through the provision of management and in-plant training programs and information services. GEMAH is moving toward financial self-sufficiency. In addition, two other ongoing OPGs -- the Advisory Committee for Human Resources Development (CADERH, 522-0257) and the Accountants' Technical Committee (ITEC Institutional Strengthening, 522-0287) address a constraint to technical and vocational education in Honduras -- the need for a skills certification system. These efforts will increase the number of students passing skills exams and certified for employment in areas of need such as: bookkeeping, public accountanting, carpentry, welding, and industrial mechanics. In FY 1986, the CADERH OPG will be expanded to provide assistance to small private vocational institutes to improve their production-oriented training and education programs.

- Selected Development Activities: The Honduran private sector suffers from an overvalued exchange rate, controls on foreign exchange, a distorted fiscal incentives system, a burdensome and complicated system of regulations and controls, poor mid-management skills, and the lack of an established entrepreneurial mentality. A.I.D. is focusing its private sector efforts on: the elimination of policy, legal, and regulatory barriers to the further development of private enterprise; the promotion of non-traditional exports; support for small- and medium-sized enterprises; and assistance in the divestiture of GOH public-sector enterprises.

To take advantage of the trade opportunities offered by the Caribbean Basin Initiative, SDA funds continued to support the Export Development and Services project (522-0207) in FY 1985. This support will increase the production of non-traditional industrial exports, as described previously. This effort is complemented by activities to develop an accessible source of commercial financing and technical assistance for small- and medium-scale producers under the ongoing Small Business Development project (522-0205). By mid-1987, the Small Business project will have supported the establishment of a loan portfolio valued at over $6 million, resulting in the direct and indirect creation of 1,000 new jobs. Additional channels for marketing of handicrafts in export markets have been developed through the Artisan Product Marketing OPG (522-0250). The Chamber of Commerce OPG (522-0204) has supported U.S. and Honduran trade missions, business conferences, and investment visits. Both OPGs are scheduled for completion in FY 1986.

In FY 1986, A.I.D. will initiate the Privatization of State-owned Enterprises project (522-0289). This project will provide technical assistance to assess the value of state-owned enterprises, develop viable financing mechanisms for divestiture, and assist in strengthening the management of newly divested firms. The basic aim of this project is to support the GOH's interest in reducing and eliminating public sector participation in productive enterprises which more appropriately belong in the private sector. This project is a result of the macroeconomic policy dialogue and reform measures that have been pursued under A.I.D.'s ESF program.

C. Broadening the Benefits of Growth

- Agriculture, Rural Development and Nutrition: The Municipal Development Bank II project (522-0165), which terminated in FY 1985, financed loans to municipalities for infrastructure, including markets and transport terminals using Agriculture, Rural Development and Nutrition, and Selected Development Activities funding, and for water and sewerage facilities using Health funds. This effort benefitted about 350,000 people and generated about 4,000 person-years of employment.

The removal of inefficiencies resulting from the current Agrarian Reform Law by legalizing titling on farms under five hectares, legalizing land rental, eliminating restrictions on the ability of banks to foreclose on rural land mortgages, and modifying crop-specific provisions can help broaden the benefits of economic growth. A.I.D. is currently studying these inefficiencies and encouraging the GOH to remove them. Even with these constraints, the ongoing Small Farmer Titling and Services project (522-0173) is strengthening the institutional capability of the Agrarian Reform Institute to streamline and accelerate the process of provision of titles to small farmers. Under this project, a mechanism has been established to grant fee-simple, legal titles to farmers with more than five hectares. Approximately 16,000 land titles have been issued to date, representing about a threefold increase over the number granted in the previous 150 years. By mid-1987, virtually all legally eligible small farmers will have received titles to their land. Under the Rural Housing Improvement project (522-0171), scheduled for completion in FY 1986, indigenous PVOs and cooperatives are providing small loans to low-income rural families to finance low-cost improvements to their dwellings. To date, approximately 10,000 improvements have been made for about 6,500 rural families. An evaluation conducted in FY 1985 resulted in the introduction of a more accurate, simplified accounting system and increased training for intermediaries.

- Health and Population Planning: During FY 1985 and FY 1986, three Population Planning-funded OPGs (Commercial Retail Sales, 522-0201; Family Planning Service Delivery, 522-0225; and Leadership Population Education, 522-0240) will be completed.

Although significant progress is evident in the health sector, remaining problems affecting the implementation of A.I.D. activities are: (1) institutional constraints to the delivery of primary health care services; (2) the need for continued GOH progress in the implementation of its hospital current cost recovery and cost containment policies; (3) the need for the provision of incentives for Ministry of Health (MOH) personnel engaged in primary health care; (4) the required expansion of health financing schemes through both the public and private sector; and (5) the need to improve the integration and coordination of the MOH and Social Security Institute health care systems. A.I.D. is working closely with the GOH to address these contraints.

In FY 1985 and FY 1986, A.I.D. continued substantial support to the Health Sector I project (522-0153), which is the main vehicle for institutionalizing primary health care. This project assists the MOH to expand the delivery of health services which emphasize low-cost preventive measures. The project strengthens the support systems (i.e., logistics, maintenance, supervision, training, planning and management) of the MOH and expands priority health services such as oral rehydration therapy, immunization, vector control, family planning and nutrition. Accomplishments supported by this project in the health sector include: (1) adoption of oral rehydration therapy, with a 40% reduction in infant mortality due to diarrhea in a pilot region; (2) vaccination of 83%, 65% and 70% of children under two years of age against polio, DPT, and measles, respectively; (3) a reduction in the number of malaria cases by 43% from 47,000 in 1980 to 27,000 in 1984; and (4) a decline in infant mortality from 88/1000 in 1980 to 78/1000 in 1983. A.I.D. will expand this project to incorporate national breast feeding and nutrition education programs.

Complementing the Health Sector I project, the ongoing Rural Water and Sanitation project (522-0166) provides access to, and promotes the use of safe water supplies and human waste disposal systems for approximately 900,000 rural people. Under the ongoing Bay Islands Development project OPG (522-0233), scheduled for successful completion in FY 1986, the Pan American Development Foundation is improving sanitary conditions and income earning opportunities. Three health-related OPGs were initiated in FY 1985 by A.I.D. The Community Health Self-Motivation project (522-0303) focuses on the institutionalization of improved, community-based health practices among the poor of Tegucigalpa; the Mosquitia Health Care project (522-0304) supports the equipping and maintenance of a hospital supported by the Moravian Church in the Department of Gracias a Dios; and the Honduran Federation for the Rehabilitation and Integration of the Handicapped (FUHRIL) Institutional Strengthening project (522-0305) creates income producing activities for handicapped people in the Tegucigalpa area.

P.L. 480 Title II assistance will continue through the Cooperative for American Relief Everywhere (CARE). This assistance supports maternal and child health, school feeding, and food-for-work programs estimated to reach about 467,000 people in FY 1986.

In the population sector, virtually all major policy objectives supporting family planning programs have been adopted. Ongoing efforts will concentrate on service delivery. A.I.D.'s main focus will be continued support for the Private Sector Population Program OPG (522-0286). This project will expand the delivery of family planning services in the private sector through the establishment of five regional family planning centers and the decentralization of the Honduran Family Planning Association's (ASHONPLAFA) operations. Contraceptive prevalence surveys will be used to measure the impact of the project. ASHONPLAFA is currently providing family planning services to over 70,000 active users. Between 1981 and 1984, Honduras' contraceptive prevalence rose from 27% to 35%, while total fertility rates dropped from 6.5 to 5.3 children. Although final data are not yet available, evidence indicates that crude birth rates have fallen to about 40/1000. Taken together, these changes in fertility would indicate that the overall population growth rate is closer to 3% than 3.4% per annum.

- Education and Human Resources: The Honduran education sector suffers from several major problems, including the poor quality of primary education, institutional weaknesses, a high illiteracy rate and persistent shortages of highly-trained professionals in development-related areas. The need to improve primary education is evidenced by the fact that, although an estimated 85% of Honduras' primary school children have access to school, only 20% of those entering rural primary schools complete the sixth grade. Because of high dropout and repetition rates, the system must deliver and pay for nineteen student years of schooling to produce a single sixth grade graduate. The unnecessary recurrent financial and human costs of such an inefficient system are enormous. With respect to adult education and literacy, 40% of the Honduran population has never attended school and is completely illiterate. Only 27% of the population over age 10 has completed the fourth grade and only 17% has completed the sixth grade. Levels of literacy and educational attainment are even lower in rural areas. In higher education, the country has only one major GOH-run national university that offers free or low-cost education. The quality of instruction offered by most departments at the national university is low.

A.I.D.'s program in education and human resources responds to the Central American Initiative in the areas of primary education, literacy and higher education, with some of these efforts funded with ESF and P.L.-480 local currency generations. The successful Rural Primary Education project (522-0167) is scheduled for completion in FY 1986. This project has increased access to and has improved the quality of Honduras' primary education system. When completed, the project will have accomplished: (1) the construction of 2,100 and the renovation of 700 classrooms; (2) the establishment of community-based school maintenance programs in seven of the country's 18 departments; (3) the final construction, furnishing, and equipping of a national Teacher Training Center; (4) training of 5,000 teachers, 2,000 school directors, 350 school superintendents and 18 departmental supervisors; and (5) the establishment of a computerized management information system in the Ministry of Education. This project is contributing to the expansion of access to school for an estimated 85% of Honduras' primary school students. The project directly provides access for 13% of the country's primary school students and training for 25% of the teachers, 29% of the school directors and 100% of the school superintendents and departmental supervisors.

In FY 1985 and FY 1986, two OPGs (San Jose Obrero, 522-0160; and Horizontes de Amistad, 522-0184) will be completed.

A.I.D. will initiate the Primary Education Efficiency project (522-0273) in FY 1986, which principally will improve the quality of the primary education system of Honduras. The project will introduce proven educational innovations (e.g., radio, materials testing system) to address the problems of quality and efficiency in Honduras' primary education system. The project will use these educational innovations to reduce dropout and repetition rates, lower unit costs, improve the quality of instruction, and increase academic achievement. It also will streamline the Ministry of Education's administrative operations.

Two relatively small efforts will provide additional assistance using local currency. The first will assist the private University of San Pedro Sula with a campus construction program, with technical assistance to be provided through a regionally funded university strengthening project. The second effort is a private sector, primary-school-equivalency project for illiterate adults which will use radio for delivery. Assistance also will be provided to the national literacy campaign through this project.

- Selected Development Activities: A.I.D. will continue to support the Special Development Activities project (522-0169) to assist the rural and urban poor through funding of small, self-help projects to improve social and economic status. Continued support will also be provided for the Federation of Honduran Voluntary Organizations (FOPRIDEH) OPG (522-0266) to support a local PVO umbrella organization which analyzes, finances and monitors projects developed by Honduran voluntary organizations.

- Housing: In the face of an estimated shelter deficit of over 400,000 units, including over 200,000 families without access to water in Tegucigalpa, A.I.D. programs provide basic services and develop mechanisms such as self-help construction and financial institutions devoted to shelter and designed to expand the involvement of the private sector.

The four ongoing Housing Guaranty (HG) programs authorized for Honduras are designed to accomplish the following: (1) Shelter for the Urban Poor (522-HG-005) is to develop within the National Housing Institute the capability to produce and deliver annually approximately 2,000 minimum-cost shelter units and 1,000 home improvement loans affordable by the urban poor in both primary and secondary urban centers; (2) Urban Upgrading (522-HG-006) is to improve the capacity of the municipal governments of Tegucigalpa and San Pedro Sula to implement cost recovery programs to upgrade marginal urban communities and to reduce housing and infrastructure deficits; (3) Private Sector Shelter (522-HG-007) is to establish a system to expand private sector involvement in providing shelter affordable by the urban poor; and (4) Shelter for the Urban Poor II (522-HG-008/522-0206) is to provide access to shelter to low-income families through increased involvement by the private sector, and to generate employment opportunities to help stimulate the economy. These four programs have resulted in the delivery of nearly 16,400 low-cost shelter solutions, and the generation of significant levels of direct construction and indirect private sector employment.

Even with these accomplishments, the GOH has encountered serious problems in the timely implementation of its housing program. $35 million in Housing Guaranties remain uncontracted. In the past, the GOH was reluctant to contract for these relatively high-cost resources for the housing sector and insisted that the concerned implementing institutions carry the full burden of servicing the dollar loans, including both interest rate and exchange risks. The new administration of President Azcona is actively pursuing with A.I.D. the design of a shelter program using these uncontracted resources.

- Disaster Assistance: Using Disaster Assistance funds, the Mosquitia Relief and Development project (522-0278) was initiated in FY 1985. This project assists refugees and displaced persons living near the northeast border with Nicaragua. It involves the provision of infrastructure, radio education, agricultural development, and nutrition and health programs from which about 20,000 people will benefit. This project faces some implementation problems due to its isolated location and related difficulties in logistics, transportation and communication.

D. Strengthening Democratic Organizations

A.I.D.'s ongoing support of the goal of strengthening democratic institutions is principally through assistance to PVOs and cooperatives, financed through specific programs in the five functional accounts as described previously. Each sectoral program supports major initiatives to strengthen democratic institutions. Honduras' numerous democratic institutions have common weaknesses. They often are neither well-managed nor well-funded. It is these constraints which A.I.D. support aims to address.

During FY 1985, A.I.D. utilized regional and bilateral Development Assistance, and local currency to support the democratic Honduran national elections held in November 1985. This support included assistance to the National Election Tribunal for voter registration, ballots, ballot boxes, other voting-related supplies, and an international election observer program. In addition, A.I.D. is actively implementing the regionally funded Central American Peace Scholarship (CAPS) project (597-0001), which will finance about 1,550 long- and short-term scholarships for Hondurans, principally for students from disadvantaged and low income backgrounds. By the end of 1985, 48 long-term and 257 short-term Honduran scholarship recipients will have initiated training under this project.

In FY 1986, A.I.D. will continue support to cooperatives, the CAPS project, and the ongoing activities of PVOs.

A.I.D. continued to use the Program Development and Support project (522-9103/04/05/06/08) in FY 1985 and FY 1986 to carry out strategic and sectoral studies, design and evaluation activities, and pre-implementation efforts.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Honduras in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from Honduras in the fields of agriculture, export promotion, small business development, education, health and population, housing, engineering and public administration.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Honduras are as follows:

Types of Goods	Value
U.S. Raw Materials	$23.90 million
U.S. Machinery, Parts, Vehicles	7.10 million
Total	$31.00 million

C. Local currency associated with A.I.D. assistance to Honduras was allocated by A.I.D. and the Government of Honduras for the following uses in FY 1985. (There was a total of $86.7 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $102 million was added during FY 1985.):

Public sector (employment generation, literacy, agricultural research	$10.50 million
Counterpart for donor supported projects (A.I.D., IBRD and IDB)	34.70 million
Credit programs (basic grains/coffee purchase agricultural lands, rural technologies	19.50 million
Private and voluntary organization support	4.70 million
Public investments (grains marketing, institutional strengthening	$ 4.00 million
Total	$73.40 million

D. Reprogramming of funds for Honduras during FY 1985 resulted in the following functional account changes. Estimated FY 1985 obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1985 Obligations	196,312	16,600	2,600	11,200	10,162	8,250	147,500
- Actual FY 1985 Obligations	191,833	16,550	2,771	11,100	5,662	8,250	147,500

E. Funds and Programs provided to Honduras in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Honduras
DA	$ 10.7 million (25.2%)	$ 31.8 million (74.8%)
ESF	- -	90.0 million (100%)
P.L. 480 Title I	- -	15.0 million (100%)
P.L. 480 Title II	3.5 million (100%)	- -
Total	$ 14.2 million (9%)	$316.8 million (91%)

Requested Year Program (FY 1987)

A.I.D. proposes $90 million in ESF in 1987 assistance to continue necessary economic stabilization and recuperation efforts; $51.025 million in Development Assistance; and $14 million in P.L. 480 Title I and $3.758 million in P.L. 480 Title II resources. These levels - complemented by ongoing Housing Guaranties and Trade Credit Insurance Program (TCIP) credits - are the minimum necessary to pursue United States objectives in Honduras as articulated in the Central American Initiative and to respond to the development objectives of the GOH. These levels will contribute to achieving the goals of economic stabilization and recuperation, economic growth, broadening the benefits of growth, and strengthening democratic institutions.

A. Economic Stabilization and Recuperation ($90 million in ESF and $14 million in P.L. 480 Title I)

ESF assistance will continue to play a critical role in addressing key economic distortions while attempting to achieve the Central American Initiative objective of an annual 3% real growth rate in per capita GDP. This assistance seeks to achieve economic stability and sustainable economic growth. It will maintain economic activity, employment, and social stability by providing needed foreign exchange to the country to enable Honduran producers to import raw materials, spare parts and intermediate goods from the United States. The ESF assistance directly supports steps to restrain and to rationalize public expenditures, further liberalize trade and payment restrictions, and implement an economic stabilization and structural adjustment program. A.I.D. also requests $14 million in P.L. 480 Title I in FY 1987 for the importation of wheat.

Local currency associated with the ESF and P.L. 480 Title I programs will support the expansion of the private sector and non-traditional exports; support PVOs, agricultural sector cooperatives, educational institutions, and other rural groups and entities whose activities support the A.I.D. and GOH development strategies; and support the local costs of development projects assisted by A.I.D. and other donors, as well as other GOH efforts related to A.I.D.'s programs.

B. Economic Growth

- Agricultural, Rural Development and Nutrition ($20.9 million in DA)

During FY 1987, funding will support the following ongoing projects: Natural Resource Management (522-0168); Small Farmer Coffee Improvement (522-0176); Rural Trails and Access Roads II (522-0214); Agricultural Research Foundation (522-0249); Irrigation Development (522-0268); and Agricultural Marketing (522-0271). In addition, A.I.D. requests $1.5 million for the initiation of the Rural Electrification project (522-0267). This effort will build upon A.I.D.'s earlier experience with rural electrification in the Aguan Valley, incorporating the lessons learned from a FY 1986 evaluation of that project. It will establish a rural electrification system in one of the major agricultural areas of Honduras to support development of productive rural enterprises, particularly in forestry and agro-industry. An estimated 60,000 Hondurans will directly benefit.

- Education and Human Resources ($537,000)

A.I.D. funding will continue for the ongoing CADERH OPG (522-0257) to support the strengthening of technical and vocational skills of the Honduran private sector.

- Selected Development Activities ($13.95 million)

A.I.D. will continue support for the Privatization of State-owned Enterprises project (522-0289), and expand the ongoing Export Development and Services project (522-0207) to permit the initiation of a skills training and certification component to respond to the manpower needs of domestic and foreign investors involved in export expansion.

Title II resources will provide assistance to the CRS-implemented food-for-work program to support community development efforts, principally of rural-based communities.

C. Broadening the Benefits of Growth

- Agriculture, Rural Development and Nutrition ($2.25 million)

During FY 1987, funding will continue to support activities under the ongoing Small Farmer Titling and Services project (522-0173).

- Health and Population Planning ($8.527 million in DA and $3.758 million in P.L. 480 Title II)

Funding will continue for ongoing efforts which include the Health Sector I (522-0153) and Private Sector Population Program - OPG (522-0286) projects.

P.L. 480 Title II commodities will be distributed through CARE in support of maternal/child health, school feeding and food-for-work programs which combat malnutrition.

- Education and Human Resources ($7.544 million)

Funding will continue during FY 1987 for the Primary Education Efficiency project (522-0273).

- Selected Development Activities ($100,000)

Continued funding in FY 1987 will be provided to the ongoing Special Development Activities project (522-0169).

D. Strengthening Democratic Institutions

A.I.D. support will continue to PVOs and cooperatives with funding from the five functional accounts. In FY 1987, A.I.D. will initiate the Private Sector Productivity Enhancement project (522-0311) with $1.379 million in funding drawn from the various accounts. This project will support the institutional strengthening of indigenous PVOs and assist local and U.S. PVOs in carrying out activities reflecting the sectoral and development priorities of the A.I.D. program in Honduras.

Support for additional Honduran students under the Central America Peace Scholarships project (597-0001) will continue.

In FY 1987, A.I.D. requests $500,000 in initial support for the National Administration of Justice project (522-0296). This project will improve the quality of the Honduran judicial system through the provision of training and in-service workshops, supplies and equipment and through the rehabilitation or reconstruction of departamental and municipal courts.

A total of $1.79 million for short-term studies, evaluations, project design, and pre-implementation activities is requested from the various appropriation accounts for the Program Development and Support project (522-9103/4/5/6/8).

Mission Director: Anthony J. Cauterucci

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HONDURAS

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURAL RESEARCH	G	522-0139	78	83	2,750	2,750	2,750	2,525	---	225	---	---
AGRICULTURE SECTOR II	G	522-0150	79	84	4,000	4,000	4,000	3,670	---	330	---	---
AGRICULTURE SECTOR II	L	522-0150	79	84	21,000	21,000	21,000	20,782	---	218	---	---
RURAL TECHNOLOGIES	G	522-0157	79	86	9,000	9,000	7,050	5,776	1,950	1,200	---	1,000
RURAL TRAILS/ACCESS ROADS	G	522-0164	80	85	730	730	730	483	---	247	---	---
RURAL TRAILS/ACCESS ROADS	L	522-0164	80	85	23,570	20,970	20,970	15,119	---	4,145	---	3,706
NATURAL RESOURCES MANAGEMENT	G	522-0168	80	87	2,743	3,700	2,700	2,125	1,000	750	---	350
NATURAL RESOURCES MANAGEMENT	L	522-0168	80	87	12,252	12,300	7,000	4,151	3,300	1,600	2,000	1,249
RURAL HOUSING IMPROVEMENT	G	522-0171	81	83	200	200	200	120	---	80	---	---
RURAL HOUSING IMPROVEMENT	L	522-0171	81	84	3,300	3,300	3,300	2,414	---	886	---	---
SMALL FARMER TITLING AND SERVICES	G	522-0173	82	87	2,500	2,750	2,500	1,064	---	515	250	921
SMALL FARMER TITLING AND SERVICES	L	522-0173	82	84	10,000	12,000	10,000	2,610	---	1,563	2,000	5,800
SMALL FARMER COFFEE IMPROVEMENT	G	522-0176	81	87	1,250	4,250	1,250	647	593	415	2,307	500
SMALL FARMER COFFEE IMPROVEMENT	L	522-0176	81	87	9,000	14,000	9,000	3,547	3,000	1,335	2,000	2,118
COOPERATIVE DEVELOP. FACACH - OPG	G	522-0177	78	82	500	500	500	354	---	146	---	---
AGRICULTURAL CREDIT	G	522-0178	82	83	1,000	1,000	1,000	926	---	74	---	---
ANACH REGIONAL COOP DEVELOP - OPG	G	522-0203	78	82	200	200	---	---	---	---	---	---
EXPORT DEVELOPMENT AND SERVICES	G	522-0207	84	90	2,400	2,400	1,000	333	1,400	1,032	---	1,037
EXPORT DEVELOPMENT AND SERVICES	L	522-0207	84	90	7,200	7,200	7,000	---	200	1,500	---	2,500

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: HONDURAS

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	THROUGH FY 85 OBLIGATIONS	THROUGH FY 85 EXPENDITURES	ESTIMATED FY 86 OBLIGATIONS	ESTIMATED FY 86 EXPENDITURES	PROPOSED FY 87 OBLIGATIONS	PROPOSED FY 87 EXPENDITURES
SMALL FARMER LIVESTOCK		G	522-0[illegible]	7[illegible]	8[illegible]	3,000	3,000	3,000	7[illegible]5	1,[illegible]	9[illegible]	---	614
SMALL FARMER LIVESTOCK		L	522-0[illegible]	[illegible]	86	10,000	10,000	10,[illegible]	2,[illegible]	---	2,681	---	2,453
RURAL TRAILS/ACCESS ROADS II		G	522-0214	75	88	1,318	1,318	333	---	7[illegible]	152	333	300
RURAL TRAILS/ACCESS ROADS II		L	522-0214	85	88	13,685	13,685	5,[illegible]	---	7,500	2,744	7,710	4,900
SMALL FARM AGRIC. DEV. - OPG		G	522-0227	82	86	460	460	450	[illegible]	---	113	---	---
AGRICULTURAL RESEARCH FOUNDATION		G	522-0249	84	92	20,000	20,400	2,711	785	2,570	4,490	2,985	1,800
SMALL RURAL LIVESTOCK - OPG		G	522-0251	78	85	475	475	415	151	---	175	---	110
SMALL FARMER ORGANIZATIONS STRENGTHENING		G	522-0252	78	86	1,400	2,400	1,400	---	1,000	1,237	---	340
IRRIGATION DEVELOPMENT		G	522-0268	86	91	---	5,000	---	---	1,000	100	1,000	500
IRRIGATION DEVELOPMENT		L	522-0268	86	91	---	15,000	---	---	2,500	50	2,500	1,500
POLICY ANALYSIS AND TECHNICAL SUPPORT		G	522-0269	83	95	2,500	5,500	1,100	---	1,400	199	---	1,500
AG MARKETING		G	522-0271	86	88	---	5,000	---	---	250	100	1,250	1,000
RURAL COOP DEVEL SERVICES (ACDI)		G	522-0[illegible]	84	85	776	795	795	---	---	267	---	133
PRIVATE SECTOR PRODUCTIVITY ENHANCEMENT	*	L	522-0[illegible]	87	94	---	4,000	---	---	---	---	200	80
PROGRAM DEVELOPMENT AND SUPPORT		G	522-0000	77	C	---	---	5,000	4,[illegible]	400	930	490	548
TOTAL FOR ACCOUNT						171,859	210,884	111,234	[illegible]	[illegible]	[illegible]	22,932	35,540
GRANTS						56,822	76,429	17,724	[illegible]	[illegible]	[illegible]	9,752	11,623
LOANS						115,037	134,455	91,5[illegible]	[illegible]	[illegible]	[illegible]	12,333	23,923

POPULATION PLANNING

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	THROUGH FY 85 OBLIGATIONS	THROUGH FY 85 EXPENDITURES	ESTIMATED FY 86 OBLIGATIONS	ESTIMATED FY 86 EXPENDITURES	PROPOSED FY 87 OBLIGATIONS	PROPOSED FY 87 EXPENDITURES
HEALTH SECTOR I		G	522-0153	81	87	2,493	5,230	1,514	67[illegible]	---	507	1,711	627
COMMERCIAL RETAIL SALES - OPG		G	522-0201	78	84	1,205	1,205	1,205	1,131	---	54	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: HONDURAS

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
LEADERSHIP POPULATION ED. OPG	G	522-0240	79	83	320	320	320	142	---	179	---	---
PRIVATE SECTOR POPULATION PROGRAM	G	522-0236	85	88	9,810	9,810	1,950	236	4,261	1,561	3,099	1,750
PROGRAM DEVELOPMENT AND SUPPORT	G	522-9104	73	C	---	---	307	205	75	94	100	100
TOTAL FOR ACCOUNT					13,515	16,565	5,301	2,407	4,136	2,494	4,910	2,457
GRANTS					13,515	16,565	5,301	2,407	4,136	2,494	4,910	2,457
LOANS					---	---	---	---	---	---	---	---
HEALTH												
HEALTH SECTOR I	G	522-0153	80	87	9,574	12,006	6,5[illegible]	[illegible]	3,00[illegible]	2,257	3,217	2,257
HEALTH SECTOR I	L	522-0153	80	87	15,652	15,652	15,652	6,725	---	3,410	---	5,517
MUNICIPAL DEVELOPMENT BANK II	L	522-0165	82	83	3,000	3,000	---	---	---	---	---	---
RURAL WATER AND SANITATION	G	522-0166	80	86	1,200	1,200	1,200	[illegible]	---	139	---	150
RURAL WATER AND SANITATION	L	522-0166	80	86	19,500	1,200	17,113	[illegible]	[illegible]	[illegible]	---	3,772
BAY ISLAND DEVELOPMENT - OPG	G	522-0237	78	84	380	380	380	[illegible]	---	93	---	---
COMMUNITY HEALTH SELF MOTIV ACT	G	522-0303	85	85	400	400	400	---	---	90	---	150
MOSQUITIA HEALTH CARE	G	522-0304	85	85	75	75	[illegible]	---	---	75	---	---
FUMRIL INST. STRENGTHENING	G	522-0305	85	86	150	150	[illegible]	---	[illegible]	77	---	55
PRIVATE SECTOR PRODUCTIVITY ENHANCEMENT	* G	522-0311	87	[illegible]	---	[illegible]	---	---	---	---	200	---
PROGRAM DEVELOPMENT AND SUPPORT	G	522-9105	73	C	---	---	[illegible]	[illegible]	[illegible]	[illegible]	200	225
TOTAL FOR ACCOUNT					[illegible]	37,262	[illegible]	[illegible]	[illegible]	[illegible]	3,617	12,126
GRANTS					10,779	17,211	[illegible]	[illegible]	[illegible]	[illegible]	3,617	2,837
LOANS					38,132	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	9,239

EDUCATION AND HUMAN RESOURCES

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* Refers to the planned project summary sheet

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HONDURAS

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
RURAL PRIMARY EDUCATION	G 522-0167	80	85	2,500	2,450	2,100	1,511	---	359	---	---
RURAL PRIMARY EDUCATION	L 522-0167	80	85	16,300	16,750	15,100	4,515	---	7,234	---	---
DEVELOPMENT ADMINISTRATION	G 522-0174	82	84	2,500	2,500	2,500	2,060	---	440	---	---
EXPORT DEVELOPMENT AND SERVICES	L 522-0207	84	90	---	11,000	---	---	---	---	1,000	250
ENVIRONMENTAL ED. II - OPG	G 522-0234	78	87	75	75	---	---	---	47	---	---
SEMAH INSTITUTIONAL STRENGTHENING, OPG	G 522-0236	75	86	830	1,000	500	474	200	317	---	217
CADERH - OPG	G 522-0257	79	87	625	1,517	625	245	458	434	537	296
PRIMARY EDUCATION EFF.	G 522-0273	86	95	---	14,000	---	---	7,000	400	1,500	2,500
PRIMARY EDUCATION EFF.	L 522-0273	86	95	---	6,000	---	---	600	300	3,500	2,000
ITEC INSTITUTIONAL STRENGTHENING	G 522-0237	85	86	480	480	387	5	93	305	---	170
PRIVATE SECTOR PRODUCTIVITY ENHANCEMENT	* G 522-0311	87	94	---	3,000	---	---	---	---	737	---
PROGRAM DEVELOPMENT AND SUPPORT	G 522-9105	77	C	---	---	2,735	2,093	121	515	300	226
TOTAL FOR ACCOUNT				24,180	59,372	26,797	16,378	4,529	11,443	7,544	5,655
GRANTS				7,330	36,522	9,947	6,763	3,929	3,409	4,044	3,655
LOANS				16,850	22,850	16,850	9,615	600	8,034	3,500	2,000
SELECTED DEVELOPMENT ACTIVITIES											
MUNICIPAL DEVELOPMENT BANK II	G 522-0165	80	83	250	250	---	---	---	---	---	---
MUNICIPAL DEVELOPMENT BANK II	L 522-0165	80	83	1,500	1,000	---	---	---	5	---	---
SPECIAL DEVELOPMENT ACTIVITIES	G 522-0169	81	C	---	---	399	383	100	100	100	100
SMALL BUSINESS DEVELOPMENT	G 522-0205	84	86	600	600	600	61	---	290	---	249
SHELTER FOR THE URBAN POOR II	G 522-0206	85	87	450	450	450	21	---	276	---	153

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: HONDURAS

PROJECT TITLE	* L/G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
EXPORT DEVELOPMENT AND SERVICES	G 522-0207	84	90	5,100	8,100	2,000	139	---	857	5,100	607
EXPORT DEVELOPMENT AND SERVICES	L 522-0207	84	90	8,800	12,800	6,000	---	---	5,717	1,600	717
ARTISAN PRODUCT MARKETING-OPG	G 522-0250	78	85	510	510	510	281	---	229	---	---
FUNDEM PAN AM DEV. FOUNDATION	G 522-0263	85	85	132	132	132	5	---	48	---	57
FOPRIDEH INSTITUTIONAL STRENGTHENING	G 522-0266	85	86	500	500	393	9	107	236	---	170
POLICY ANALYSIS AND TECHNICAL SUPPORT	G 522-0269	85	86	1,500	1,500	1,100	---	400	330	---	1,000
PRIVATIZATION OF STATE-OWNED ENTERPRISES	G 522-0289	86	89	---	4,000	---	---	1,000	950	3,000	3,050
PRIVATIZATION OF STATE-OWNED ENTERPRISES	L 522-0289	86	89	---	11,000	---	---	---	---	3,000	---
NATIONAL ADMINISTRATION OF JUSTICE	* G 522-0296	87	89	---	1,000	---	---	---	---	500	200
PRIVATE SECTOR PRODUCTIVITY ENHANCEMENT	* G 522-0311	87	94	---	6,000	---	---	---	---	252	---
PROGRAM DEVELOPMENT AND SUPPORT	G 522-9106	73	C	---	---	1,961	1,532	418	459	500	425
TOTAL FOR ACCOUNT GRANTS LOANS				19,542 9,042 10,300	47,842 23,042 24,800	13,545 7,545 6,000	2,431 2,431 ---	2,025 2,025 ---	9,497 3,775 5,722	14,052 9,452 4,600	6,728 6,011 717
ECONOMIC SUPPORT FUND											
TEGUCIGALPA POWER RESTORATION	G 522-0226	82	84	1,800	1,800	---	---	---	---	---	---
ECONOMIC RECOVERY PROGRAM II	G 522-0230	82	85	151,550	151,550	151,550	134,050	---	17,500	---	---
ECONOMIC STAB FACILITY PROGRAM	G 522-0233	85	89	75,000	312,500	75,000	25,000	61,248	111,248	90,000	90,000

*Refers to the planned project summary sheet.

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HONDURAS

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PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					228,350	465,850	226,550	159,050	61,248	126,748	90,000	90,000
GRANTS					228,350	465,850	226,550	159,050	61,248	126,748	90,000	90,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					506,427	835,556	445,857	283,553	104,463	189,468	141,025	152,512
GRANTS					326,118	633,599	296,672	201,760	88,926	151,964	120,725	116,583
LOANS					180,309	201,957	149,185	81,793	15,537	37,504	20,300	35,929

*Refers to the planned project summary sheet

CLevel of effort activity

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PROGRAM: HONDURAS

PLANNED PROGRAM SUMMARY SHEET

Title Private Sector Productivity Enhancement	Funding Source DA	AG, RD & N 220 (G)	Health 200 (G)	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,379 Life of Project Funding 4,000-ARDN 2,000-HE, 3,000-EHR, 6,000-SDA
Number 522-0311 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR 707 (G)	Sel. Act. 252 (G)	Initial Obligation FY 87 Estimated Final Obligation FY 94 Estimated Completion Date of Project FY 95

Project Purpose: To increase the productivity and improve the quality of life of low income groups in Honduras, which will contribute to the Central American Initiative (CAI) goals of increased equity and broader participation in development.

Project Description: The project will enhance productivity and quality of life for the urban and rural poor by consolidating the efforts of non-profit organizations addressing development needs related to CAI goals and not addressed through other A.I.D. assisted projects. Project resources will be used to support and coordinate the efforts of local and U.S. private voluntary organizations (PVO's) directly involved in improving delivery of basic agriculture, credit, education, and health services important for improving productivity of low income groups.

A key element of this project will be technical assistance required to institutionalize PVO's as effective private sector participants in Honduras' development efforts. The technical assistance will assist the Government of Honduras (GOH) with: (i) the design of a system for reviewing the legal and financial status of the PVO's; (ii) analysis of each organization to determine its potential and capacity to carry out developmental activities; (iii) design of a broad strategy for using PVO's to improve production levels, incomes, and living conditions of the urban and rural poor; and (iv) development of a comprehensive budget and plan for assisting (through private sector contracts) PVO's in most effectively coordinating their efforts to address development problems in Honduras.

Relationship of Project to A.I.D. Country Strategy: The project will directly support a principal objective of the A.I.D. program in Honduras, to assist the Honduran private sector and, through non-profit organizations, to establish a solid base for short- and long-term economic growth. The project will directly assist Hondurans by stimulating the expansion of productive activities and employment opportunitites.

Beneficiaries: The beneficiaries will be low-income rural and urban Hondurans.

Host Country And Other Donors: The GOH and other donors contribute to the activities of PVO's operating in Honduras through the provision of funding, personnel, equipment and commodities used in specific project efforts. A.I.D.'s project will be closely coordinated with such assistance to encourage cooperation and maximize development impact. Key implementing institutions will be 30-40 U.S. and local private voluntary organizations involved in promoting the development of Honduras. An existing GOH agency will be responsible for coordinating and monitoring project activities.

Major Outputs:

Established system for efficiently channeling economic assistance through private non-profit organizations
Established rural drinking water systems
More effective agriculture marketing systems
Established and functioning nutrition surveillance system
Established Small Business Investment Fund
Four cooperatives with improved capacity to export non-traditional products
Entrepreneur Training
Private Voluntary Organization Program Support

A.I.D. Financed Inputs:	Life-of-Project ($000)
Technical Assistance	3,000
Training	2,000
Equipment	1,000
Credit Support	9,000
TOTAL:	$15,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				Various PVOs
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year	1,379	13,621	15,000	

PROGRAM: HONDURAS

PLANNED PROGRAM SUMMARY SHEET

Title National Administration of Justice	Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 500 (G) Life of Project Funding 1,000 (G)
Number 522-0296 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 500 (G)	Initial Obligation FY 87 Estimated Final Obligation FY 89 Estimated Completion Date of Project FY 90

Purpose: To improve the quality of the Honduran judicial system.

Project Description: The lack of qualified, well-trained, and motivated individuals continues to be one of the weaknesses of the Honduran judiciary system. Presently, there does not exist an effective training program for legal, administrative or technical support personnel.

Identification of some of the training needs and initial training of higher level judges, administrative, and support personnel has been initiated under the regionally-funded Administration of Justice Project. However, additional country-specific training is necessary. For example, the Honduran Revisory Commission established under the Regional Project is in the process of reviewing and revising laws affecting the judiciary. In particular, the Commission is considering passing a Judicial Career Law and accompanying implementing legislation which will improve the professionalism and public image of the judiciary. As the codes are updated, additional training will be necessary to familiarize both judicial personnel and legal practitioners with the new laws. Completion of the regionally-funded Judiciary Sector Assessment in the spring of 1986, will provide more precise information for long range planning for infrastructural needs and, more specifically, the development of an effective training division within the Ministry of Justice.

Another impediment to the efficient rendering of justice in Honduras is the lack of adequately equipped court facilities. In addition to providing training, the National Administration of Justice Project will continue the initiative of the Regional Project to modernize existing court facilities.

Relation to A.I.D. Country Strategy: A.I.D.'s Administration of Justice initiative is part of the U.S. Government's continuing commitment to support the efforts of governments throughout the hemisphere to strengthen and invigorate democratic institutions. The effort is based on recognition of the fact that a nation's ability to uphold the principles of human rights and to assure the peaceful and orderly resolution of disputes requires a fair, independent, accessible and effective system of justice. In Honduras, as in much of Latin America, the legal system lacks the capacity to fulfill its responsibilities. The National Administration of Justice Project will build upon progress currently under way with the Regional Project to strengthen the judiciary in Honduras.

Host Country and Other Donors: The Government of Honduras' 1985 budget allocates 13 mill Lempiras for the national judiciary system. The amount is to be annually increased until the constitutionally-mandated three percent of the national budget is made available for judiciary support. No other donors are providing similar assistance in this area.

Beneficiaries: Direct Project beneficiaries of the pRoject are the judges, court administrator, prosecutors and other court personnel who will receive training and improved court facilities. The Indidrect beneficiaries will be the Honduran people.

Outputs

Established Training Division in the Ministry of Justice
Judicial Personnel Trained
Judicial Organization Code
Criminal Procedural Code
Civil Procedural Code
Rehabilitated Court facilities

Inputs	Life-of-Project ($000)
Technical Assistance	200
Training	500
Commodities	300
TOTAL	$1,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30				Ministry of Justice
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year	500	500	1,000	

PANAMA

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COUNTRY:  (525) PANAMA                                    FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
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TOTAL POPULATION   (THOUSANDS,MID 1985)      2,180

PER CAPITA GNP.........  (DOLLARS,1983)      2,120

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  2.9%

ANNUAL RATE OF INFLATION (1973-83)  7.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976)   2.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                   (1985)   TOTAL 71.4  MALE 69.3  FEMALE 73.5
                   (1970)   TOTAL 65.3  MALE 64.0  FEMALE 66.7

ADULT LITERACY RATE  (1980)   TOTAL  87%  MALE  87%  FEMALE  87%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)   0.5%

AGRICULTURAL PRODUCTION AS % OF GDP...........(1983)     9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       110


MAJOR CROP(S)
  SUBSISTENCE: CORN ,BEANS-DRY ,RICE               ARABLE LAND  YEAR
  CASH: BANANAS ,RAW SUGAR ,COFFEE                       35%   (1984)
                                                         24%   (1984)
MAJOR AGRICULTURAL EXPORTS (1984) BANANAS ,RAW SUGAR ,COFFEE

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.......(1980)    27%
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*CENTRAL GOVERNMENT FINANCES*
---------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
           (1982)        865 (83)        886 (84)          916
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
           (1982)      1,148 (83)      1,114 (84)        1,175
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
           (1982)       -283 (83)       -228 (84)         -259
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES..(    )    % ( . )    % ( . )    %
  AS % OF GNP.................(    )    % ( . )    % ( . )    %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   101 (83)   207 (84)   216
  EQUIVALENT TO  0.7 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PETROLEUM PROD ,BANANAS          ,SHRIMP

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  128  (1983)  161  (1984)  153
   AS % OF TOTAL EXPORTS (1982)    6% (1983)   10% (1984)    9%

MAJOR IMPORTS(1983)PETROLEUM PRODS,MANUFAC'D GOODS,MACH. & TRANS E

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  549  (1983)  456  (1984)  498
   AS % OF TOTAL IMPORTS (1982)   20% (1983)   21% (1984)  21%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -689(83)   -681(84)  -795

TRADING PARTNERS: UNITED STATES ,JAPAN ,ECUADOR

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    94.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................(1983)   471
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).....(1983)  28.7%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE   (1970)   2.7% (1978)   2.2% (1985)  2.1%

POPULATION IN URBAN AREAS ..........(1970)    48%   (1985)   58%

LIVE BIRTHS PER 1,000 POPULATION    (1970)          (1985)    26

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION    (1979)  60.6%

POPULATION (1985) IN AGE GROUP
                 (0-14YRS) 37.2% (15-64YRS) 58.3% (65+ YRS)  4.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  25

PEOPLE PER PHYSICIAN.................(1978)  1,132

MAJOR CAUSES OF
DISEASE (1979) GONORRHEA        ,MEASLES           ,FLU & PNEUMONIA
DEATH   (1975) PERINATAL DIS    ,CANCER            ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.    (1977)   102%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  82%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY .......     (1982)  TOTAL   114   MALE   116   FEMALE   111
SECONDARY ....      (1982)  TOTAL  65.5   MALE  62.8   FEMALE  71.7
POST SECONDARY      (1981)  TOTAL  22.6   MALE  22.4   FEMALE  22.8

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)     7.2%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PANAMA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	2.0	10.6	13.0	7.4	12.0	465.5	93.1	373.4
Loans	-	6.4	8.1	3.8	5.0	255.5	93.1	162.4
Grants	2.0	4.2	4.9	3.6	7.0	211.0	-	211.0
a. A.I.D. and Predecessor Agencies	1.0	3.7	11.7	6.3	10.7	328.3	73.3	249.5
Loans	-	6.4	8.1	3.8	5.0	242.6	78.3	163.8
Grants	1.0	2.3	3.6	2.5	5.7	85.7	-	85.7
(Economic Support Fund)	-	-	-	-	-	27.0		
b. Food for Peace (PL 480)	1.0	1.9	1.3	1.1	1.3	27.6	-	27.6
Loans	-	-	-	-	-	-	-	-
Grants	1.0	1.9	1.3	1.1	1.3	27.6	-	27.5
Title I – Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	1.0	1.9	1.3	1.1	1.3	27.6	-	27.6
Emerg. Relief, Econ. Develop. & World Food Program	0.1	-	*	0.1	0.3	0.6	-	0.6
Voluntary Relief Agencies	0.9	1.9	1.3	1.0	1.0	27.0	-	27.0
c. Other Economic Assistance	*	*	*	*	*	110.6	14.3	96.3
Loans	-	-	-	-	-	12.9	14.3	1.4-
Grants	*	*	*	*	*	97.7	-	97.7
Peace Corps	-	-	-	-	-	6.9	-	6.9
Narcotics	-	-	-	-	-	0.1	-	0.1
Other	*	*	*	*	*	90.8	-	90.8
II. MILITARY ASSISTANCE – TOTAL	0.3	0.4	5.4	5.5	13.5	39.6	5.6	34.0
Credits or Loans	-	-	5.0	5.0	5.0	18.5	5.6	12.9
Grants	0.3	0.4	0.4	0.5	8.5	21.1	-	21.1
a. MAP Grants	*	-	-	-	8.0	12.6	-	12.6
b. Credit Financing – FMS	-	-	5.0	5.0	5.0	18.5	5.6	12.9
c. Military Assistance Service Funded (MASF) Grants	0.3	0.4	0.4	0.5	0.5	6.6	-	6.8
d. Transfers from Excess Stocks	-	-	-	-	-	1.7	-	1.7
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	2.3	11.0	18.4	12.9	25.5	506.1	98.7	407.4
Loans	-	6.4	13.1	8.8	10.0	274.0	98.7	175.3
Grants	2.3	4.6	5.3	4.1	15.5	232.1	-	232.1
Other U.S. Government Loans and Grants	-	-	-	-	0.2	137.8	173.7	35.9-
a. Export-Import Bank Loans	-	-	-	-	-	136.1	172.2	36.1-
b. All Other Loans	-	-	-	-	0.2	1.7	1.5	0.2

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	137.7	82.6	137.3	1321.0
IBRD	85.0	74.2	51.0	595.8
IFC	0.0	0.0	37.5	45.8
IDA	0.0	0.0	0.0	0.0
IDB	52.0	8.4	48.7	648.2
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.6	0.0	0.0	26.7
OTHER-UN	0.1	0.0	0.1	4.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	21.0	18.0	108.0
Japan	4.4	4.2	17.1
Germany,Fed. Rep.	0.5	0.8	4.5
Netherlands	0.7	0.6	2.8
Canada	0.7	0.7	1.8
Other	0.4	0.7	2.8
Total	27.7	25.0	137.0

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	5
Total	-	-	5

PANAMA

PROGRAM SUMMARY

(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	7,915	5,140	-	-	-	2,775	-	-
Grants	60,907	4,925	290	-	2,395	3,297	50,000	-
Total	68,822 1/	10,065	290		2,395	6,072	50,000	
1986								
Loans	5,792	2,513	-	-	-	3,279	-	-
Grants	17,150	5,609	100	-	1,446	4,253	5,742	
Total	22,942	8,122	100		1,446	7,532	5,742	
1987								
Loans	10,000	5,000	-	-	1,000	4,000	-	-
Grants	36,100	3,300	-	-	1,500	3,300	28,000	-
Total	46,100	8,300	-	-	2,500	7,300	28,000	-

1/ Includes $34.0 million ($.4 million ARDN, $.1 million EHR, $3.5 million SDA from the FY 1984 Supplemental and $30.0 million ESF)

FY 1987 PROGRAM HIGHLIGHTS

- $28 million ESF to support economic policy adjustments that promote private enterprise and reduce the government's role.
- A $30 million Agricultural Diversification project to extend crop and area-specific technologies and increase small farm production and income.
- A Private Enterprise Support project to restructure the Ministry of Commerce and Industry to support and deregulate private business.
- A Strengthening Local Government project to train and support elected mayors and local representatives.
- Scholarships in the United States totalling $50 million over 5 years for high achieving and disadvantaged students.

PANAMA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY1985 (Actual)	FY1986 (Estimated)	FY1987 (Proposed)
Aid *			
Loans	6,662	15,769	19,636
Grants	56,023	37,903	52,974
Total AID	62,685	53,672	72,610
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	62,685	53,672	72,610

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*						
Title II 1/						
Voluntary Agencies	-		-		-	
Government to Government	-		-		-	
Title II Total						
Total P.L. 480						

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PANAMA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel AID Direct Hire[a] PASA[b]	21	20	20
TOTAL	21	20	20

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	42	101	143	53	102	155	75	116	191
Regional[e]	21	52	73	94	110	304	187	231	418
TOTAL	63	153	216	147	212	459	262	347	609

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	8	1	9	9	33	42	1	40	41
Regional[e]	0	0		0	0		0	0	0
TOTAL	8	1	9	9	33	42	1	40	41

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

PANAMA

Development Overview

Panama's development has followed a pattern dictated by its geography and the presence of the Panama Canal. The Canal and related international commercial and financial activities dominate the country's economy. They give the economy its dual nature--a high income, internationally-oriented service sector adjoining the Canal, contrasted with a poorer, agriculturally-oriented economy comprising the rest of the country. Constraints on Panama's economy are its limited natural resources and agricultural potential, and small domestic market. Furthermore, the open dollar-based economy facilitates international commerce and finance, but is susceptible to capital flight and worldwide trends in trade, inflation and interest rates.

During the period from around 1970 into the early 1980s, Panama witnessed relatively strong growth of gross domestic product (GDP), based on burgeoning public sector expenditures and a healthy commercial sector. But agricultural production stagnated and industry did not do much better. The populist government of General Omar Torrijos made substantial progress in narrowing the gap in living standards between the Canal corridor and the rest of the country. Physical infrastructure and public facilities and services expanded significantly and contributed to a transformation of the lives of a great many Panamanians. The physical quality-of-life indicators are well above those of most of Panama's neighbors.

While the social benefits were real, much of the growth of the period emanated from the public sector -- a fragile basis for sustained growth. Panama pursued economic policies into the early 1980s which stressed attainment of self-sufficiency in food production and import substitution. Import tariffs and quotas were imposed to protect domestic producers, and incentives established to encourage investment. To offset the price effects of such policies on consumers, price controls were placed on domestically produced consumer goods and on wages. The government grew rapidly, particularly as it expanded education and public health systems and participated directly in productive enterprises. Major infrastructure projects were implemented, partly through heavy external borrowing. The resulting high public debt burden has now become unsustainable.

Protectionism encouraged the establishment and growth of companies which were non-competitive. Labor market rigidities made it difficult for firms to respond to new opportunities. Price control distortions led to an inappropriate allocation of resources. Special interests became vested at all levels of the national economy. Attempts to adjust the structure must contend with those interests. This has been starkly apparent over the last year. Panama's previous president, a renowned economist who came to power in 1984 following the first direct elections in 16 years, was unable to effect the necessary political consensus to bring about well-directed economic policy changes.

The public sector debt is about 83% of GDP, and debt service consumes half of the national budget. An International Monetary Fund (IMF) agreement is in force which calls for severe public austerity. In 1985, the overall deficit of the consolidated public sector is expected to be less than 2.5% of GDP. However, spending reductions have been achieved basically at the expense of the investment budget.

Unemployment is estimated as high as 20% nationally. New employment opportunities need to be generated in the private sector, yet private sector activity has fallen off with sluggish world trade and the contraction of regional markets. More than 20,000 new jobs are needed annually to prevent the unemployment rate from rising to dangerous levels. Urban decay is particularly apparent in Colon and in rapidly growing squatter settlements in and around Panama City. Agricultural production has stagnated over the last 15 years as a result of government investment decisions and market interventions.

Panama has many of the requisites for increased private economic activity. It is a locus of international trade and related services, with good communications, excellent sea and air transport, and a relatively well-educated work force. It must greatly reduce present constraints on investment and productivity, however, if the private sector is to become the motor for growth and the means for averting further economic deterioration.

U.S. Interests and Objectives

Panama is the site of the Canal through which passes much of the trade of the Free World. The 1977 Panama Canal Treaties increased Panama's role in the operation and maintenance of the Canal. The U.S.- Panamanian partnership in operating the Canal has worked well, and this positive relationship will continue to be important as we move toward turning over complete control to Panama in the year 2000. U.S. private investment in the country is the third largest in all of Latin America, greater than in all the neighboring Central American countries combined. Also, a pipeline across Panama now transports Alaskan oil destined for the United States East Coast.

Panama's proximity to Central America's trouble spots, its weak economic situation, and the controversy over the Panama Defense Forces' removal of the elected president and the succession of the vice president in September, 1985, raise major concerns for Panama's continued political and economic stability. The removal of the President by the military was a setback for Panama's progress toward a democratic form of government.

A.I.D. has supported the Government of Panama's (GOP) efforts to improve financial stability and to rekindle sustained economic growth through more appropriate economic policies and well-targeted development projects.

A.I.D. Development Strategy

Under the four broad goals (economic stabilization, growth, equity and democracy) of the National Bipartisan Commission on Central America (NBCCA), our strategy in Panama is: (1) to assist the government in implementing its fiscal stabilization program; (2) to assist in the transition to a leaner and more efficient public sector, including the divestiture of public enterprises; (3) to encourage the transition from an economy based on import substitution to one based on efficient private sector production and exports; (4) to induce investment in the production of agricultural commodities for which Panama has an economic advantage and a potential for export; (5) to support policies and programs to conserve and rationally exploit natural resources and forests which are rapidly being depleted; (6) to encourage the mobilization of local private resources for housing production; and (7) to promote efficient planning and delivery of urban services through elected local governments.

1. Stabilization. Continuation of the fiscal stabilization program adopted in 1983 is a major challenge facing the government. Projections show that the GOP will have to maintain strict limits on government spending for the next six years to service the national debt. Economic Support Funds (ESF) will be used to assist the government in its financial stabilization program; ESF will be conditioned on the implementation of economic policy reforms and the streamlining of public sector operations.

Lack of a coherent economic program throughout 1985, particularly with regard to industrial and agricultural incentives and the labor code, led to some economic drift and the GOP's inability to conclude a structural adjustment loan with the World Bank. To avert a budget crisis in early 1986 and to end three years of economic stagnation, the GOP in January 1986 announced plans for important economic policy changes. While these plans have come too late to affect A.I.D. budget decisions for FY 1986, we are hopeful that the GOP is moving toward the kind of economic restructuring that would justify a more significant ESF program in FY 1987.

2. Economic Growth. Panama has taken some measures to reactivate the economy through reliance on the private sector and market forces, but further economic policy reforms are greatly needed. A.I.D. is encouraging progress toward economic growth by assisting in the identification and execution of appropriate economic policy reforms, and supporting programs to ameliorate difficult short-run effects of the reforms. Investment, both domestic and foreign, will be encouraged, and exports will be promoted to take advantage of the Caribbean Basin Initiative. Reform measures already initiated by the GOP include: closing the largest state-owned sugar mill; plans for divestiture of a government hotel and other enterprises; and freeing of some export restrictions and price controls. Additional policy measures to liberalize the economy are being identified in a series of ongoing policy studies financed by A.I.D. and the World Bank.

-- Industrial Policy, Trade Liberalization and Employment. A.I.D. will continue support for: (a) instituting a system of low and uniform tariffs; (b) eliminating quantitative import restrictions; (c) eliminating price regulation of industrial products; (d) modifying labor laws and regulations to stimulate productivity; (e) simplifying industrial incentives; (f) streamlining customs procedures affecting the importation of production inputs; and (g) identifying ways to lower production costs such as electric power rates and port charges. A.I.D. will support private sector export production through promotion, productivity improvement and investment finance. We will promote institutional reform to enhance the role of the GOP as a facilitator of private enterprise. Recently announced GOP economic plans include some measures to promote private industry, but important further steps are needed to reduce tariff protection and to diminish the government's role in the economy.

-- Agricultural Policies. To increase agricultural production, both policy dialogue and project assistance are critical in this long-depressed sector. The policy dialogue will focus on: (a) reducing or eliminating controlled prices of both agricultural inputs and products; (b) reducing or eliminating consumer price ceilings on food commodities; (c) shifting the government's agricultural investments toward the needs of private producers; (d) encouraging production of crops in which Panama has a comparative advantage; (e) professionalizing Ministry of Agricultural Development (MIDA) staff; (f) improving MIDA's policy formulation and implementation; (g) eliminating restrictions on agricultural exports; (h) consolidating the authority for natural resource conservation, especially for the critical watershed areas; (i) improving the land titling process; (j) providing incentives for private reforestation or conservation programs on private lands; and (k) continuing to strengthen institutional capacity to conduct research and extension. The government has announced its intent to move away from agricultural price controls and subsidies.

-- Streamlining Government. To strengthen the private sector, major portions of the public sector need to be reoriented and reduced. We will support efforts to study and redefine the role of public agencies and streamline their functions. A.I.D. will also assist private organizations and selected government institutions which contribute directly to the expansion of output and employment in the private sector. Our policy dialogue will seek acceleration of GOP efforts on divestiture of public enterprises, export and investment promotion, customs reform, reduced regulation, reduced public utility rates, and civil service reform.

3. Spreading the Benefits of Growth. A.I.D. supports public and private sector programs to ensure a broadening of participation in economic growth. Policy reforms which stimulate private investment will lead to expanded employment opportunities. Since construction activity is critical to employment, assistance to the housing sector is a key element of the strategy in the short run. As part of the policy dialogue, the GOP is planning more efficient public sector housing programs for low-income Panamanians and increased private sector housing finance and construction. A.I.D. will support small business growth by developing private financial institutions and other institutional mechanisms to serve their needs. Agricultural cooperatives will be helped to increase profitable marketing outlets for a growing farmer membership. A.I.D. will support a major new program to extend modern agricultural technologies and farm inputs to small

farmers. On a small scale, such efforts have been shown effective in Panama in generating significantly increased small farm production and income.

-- Housing. A.I.D.'s primary housing objective is to expand access to improved housing by promoting greater private sector involvement in the production and finance of low-cost housing. Private sector resources will be leveraged to construct low-cost shelter for the urban poor. Resources will be channeled to the savings banks, the mortgage banks and savings and loan associations. Technical assistance will be used to determine how local savings may be increased, construction costs reduced, and incentives designed to sustain private sector low-cost shelter development. A.I.D. will continue its low-cost housing activities with the National Mortgage Bank (BHN) and Ministry of Housing (MIVI). The GOP is planning a national housing policy dialogue to identify problems and industry solutions. Panama seeks an economic development strategy which places emphasis on employment generation through housing construction while the country goes through major structural economic adjustment. The GOP has embarked on a series of policy reforms in housing to stimulate private investment. These include elimination of rent controls on new construction, elimination of mortgage lending caps on savings and loans, strengthening the autonomy of the BHN, and provision of tax incentives. These reforms were largely the result of A.I.D. policy dialogue with the GOP and the private sector.

-- Population. Due in large part to A.I.D.'s population assistance and rapid social progress and urbanization in the past decade, Panama's natural population growth rate dropped to an estimated 2.1% in 1984. A.I.D. will provide continued assistance through centrally-funded programs to expand commercial sales of contraceptives, especially in rural areas.

4. Strengthening Democratic Institutions and Processes. The NBCCA recommended that the United States provide increased scholarship opportunities for Central Americans in the United States, and in the process counter the influence of large scholarship programs offered by Soviet Bloc countries. A.I.D., through the Central America Peace Scholarships project, will significantly increase levels of scholarship assistance for U.S. training. U.S. scholarships will stress key groups in the society which are likely to play leading roles in Panama's future direction and in its key institutions. To improve educational opportunities, scholarships will be offered to disadvantaged Panamanians, and women who otherwise would not have such opportunities.

A.I.D. will strengthen democratic institutions by providing assistance to local government programs managed by elected officials. This initiative will promote decentralized authority. Public sector austerity restricts financial assistance from the central government and requires greater reliance on local government for revenues and essential services. A.I.D. will also continue support to free trade unions to strengthen their role as constructive participants in a national dialogue on development policies, and as effective collective bargainers for their membership.

A.I.D. Program (FY 1985 and FY 1986)

During FY 1985, A.I.D. provided $50 million in ESF and $18.8 million in development assistance (DA). Of these amounts, $30 million in ESF and $4 million in DA were provided by the FY 1984 supplemental appropriation. In FY 1986, A.I.D. will provide $17.2 million in DA and $5.7 million in ESF.

1. Economic Stabilization

FY 1985 ESF resources were provided as budgetary support for investment in priority development programs that would otherwise not be funded because of severe GOP budget austerity. The ESF relieved serious GOP fiscal constraints and facilitated successful negotiation of an economic/financial stabilization program with the IMF in July 1985. A.I.D.-financed economic studies have identified policy priorities for financial stabilization. A recently completed study on the public debt helped change the GOP's planning horizon from short-term debt crisis management to a longer-term view, and provided an important argument for divestiture and reduced government current expenditures.

GOP action has been slow on economic policy reforms associated with the FY 1985 ESF agreements. The reduction of FY 1986 ESF from the original request of $40 million to $5.7 million, in part, reflects problems with overall economic policy performance. FY 1986 ESF assistance will depend on GOP implementation of previous agreed reforms, and commitment to further policy progress. ESF will be used to support priority development programs in sectors central to our strategy. The Development Policy Studies project (525-0250) will fund continuing policy studies for the Ministry of Planning and Economic Policy and strengthen ministry capability to prepare such analyses and policy recommendations.

2. Economic Growth

-- Industry and Employment. A.I.D.'s policy continues to focus on reforms to stimulate private sector growth and increase employment. Preliminary results of studies of industrial incentives, labor law and commercial policy have provided important information for Panama's decision makers. Efforts have continued to ease price controls and trade restrictions. Institutional changes concerning small business lending have been agreed to. Continued support was provided to the Investment Council of Panama (525-0239) for the promotion of investment in the country.

To promote exports, A.I.D. will begin the $19.3 million Private Sector Export Finance project (525-0261) in FY 1986 to finance medium and long-term investment credit for exporters in Panama through a private Panamanian development finance institution. This project fills an important gap in credit availability in Panama, i.e., medium- and long-term credit for new or expanded private export-oriented ventures.

The Exports of Panamanian Products project (525-0283) will be initiated through a private sector operational program grant (OPG) to promote exports of Panamanian products. The project will link Panamanian producers with

U.S. buyers, and facilitate joint public and private sector export promotion efforts.

-- Agriculture. The ongoing Agriculture Policy Formulation and Management project (525-0247) is assisting the Ministry of Agriculture to produce a series of policy papers related to the pricing of agricultural products. With A.I.D.-financed technical assistance, Ministry staff is working with the private sector to formulate more coherent policies to promote private production and exports.

Through the Agricultural Technology Development project (525-0180), improved technology is being developed through research. The Agricultural Technology Transfer project (525-0227), through area-specific extension activities, is supporting GOP efforts to increase agricultural productivity. Increasing emphasis will be placed on crops which can be produced in Panama at a comparative advantage, particularly those which can be exported.

The $30 million Natural Resources Management project (525-0248) will be initiated in FY 1986 to manage and preserve Panama's natural resources, particularly its critical forests and watersheds, including the watershed that supports Canal operations and provides potable water for the Panama-Colon area. Conservation management plans will be implemented to protect scarce tropical forests and critical watersheds and provide direct support to private reforestation activities. These conservation measures are vital to assure future water supply for operation of the Panama Canal.

3. Spreading the Benefits of Growth

-- Housing and Urban Development. The A.I.D.-supported housing program continued to construct houses for low-income Panamanian families. During FY 1985, existing programs (525-HG-010 and 525-HG-011) provided almost 3,600 units, generating direct and indirect employment estimated at 1,800 jobs. Most loans were for lots, services and home improvements which promote labor-intensive construction and local development.

To increase the capability of GOP and private sector housing institutions to plan and implement low-cost shelter programs, A.I.D. is funding technical assistance and training. The ongoing Shelter and Urban Planning project (525-0252), includes a series of studies both for MIVI and BHN designed to improve management of housing construction and to reduce unit costs. Ways to mobilize new private resources for the housing sector are also being studied, as is the competitiveness and profitability of the savings and loan system. These studies represent a major step in establishing a national housing policy.

A $25 million Private Sector Low Cost Housing Investment Guarantee project (525-HG-013) is planned in FY 1986. It will leverage private resources and increase private construction. The project should generate employment and income in the construction sector and stimulate manufacturing, transportation and finance.

-- Population. A.I.D. will continue to provide assistance through centrally-funded grants to private and voluntary organizations for programs in planning and commercial contraceptive marketing. A.I.D. will evaluate family planning programs in FY 1986 to identify areas for the effective use of centrally-funded grants.

-- Small Business. The Small Business Development project (525-0240), initiated in FY 1985, is furnishing credit and technical assistance to small-scale enterprises. Credit is being made available through private banks, benefiting small enterprises previously without access to such credit. The GOP agreed to phase out the Ministry of Commerce's small business lending in favor of this private sector alternative.

-- Agriculture. Assistance to private sector agricultural groups has commenced under the FY 1985 Agricultural Cooperative Marketing project (525-0222). Cooperatives are now receiving technical assistance to develop marketing activities which will be funded from the credit component of the project.

To increase educational opportunities for the rural poor, A.I.D. increased its support in FY 1985 for agricultural education programs through the Panamanian 4-H organization (PANAJURU), a private voluntary organization. An OPG was signed with this organization to provide academic and practical on-farm training for Panamanian youth: 250 disadvantaged youths will receive scholarships to attend agricultural technical schools in Panama, and 50 youths will receive one-year scholarships for practical farm training in the United States. A new OPG in FY 1986 will expand this program by funding scholarships to the Zamorano Agricultural School in Honduras.

A.I.D. also supported the establishment of a Private Sector Scholarship Fund (525-0258) administered by a council of private organizations. Under this highly successful program, A.I.D. is contributing $2.5 million to match funds provided by the private sector.

4. Strengthening Democratic Institutions and Processes. A high priority in FY 1986 will be to expand the training which began in FY 1985 under the Central America Peace Scholarships (CAPS) project (597-0001). This program differs from other A.I.D. training in that its emphasis is political as well as developmental. Special emphasis is being made to reach candidates from low-income families, indigenous groups and women. Training related to the Panama Canal is a priority. $9.5 million is being budgeted for Panama in FY 1986 under this centrally-funded project.

A.I.D. is providing support to the democratic labor unions by an OPG to the American Institute for Free Labor Development (AIFLD) through the Industrial Relation Services project (525-0275), to increase unions' role in national economic policy formulation and collective bargaining.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to

Latin America and the Caribbean. The following supplemental information on assistance to Panama in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from Panama in the fields of agriculture, cooperatives, agribusiness, natural resources management, private enterprise, marketing, middle management, management for public sector officials, housing, urban development, canal operations, port management and manpower development.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Panama are as follows:

None for Panama in FY 1985.

C. Local currency associated with A.I.D. assistance to Panama:

None in FY 1985.

D. Reprogramming of funds for Panama during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	EHR	SDA	ESF
- Estimated FY 1985 Obligations	74,000	10,950	760	2,970	9,320	50,000
- Actual FY 1985 Obligations	68,822	10,065	290	2,395	6,072	50,000

E. Funds and Programs provided to Panama in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of (country)
DA	$4.6 million (25%)	$14.2 million (75%)
ESF	- 0 -)	50.0 million (100%)
P.L. 480 Title I	- 0 -	- 0 -
P.L. 480 Title II	- 0 -	- 0 -
Total	$4.6 million (7%)	$64.2 million (93%)

Requested Year Program (FY 1987)

In FY 1987, A.I.D. is requesting $28 million in ESF and $18.1 million in DA. Three new FY 1987 projects are planned: (1) Agricultural Diversification (525-0266); (2) Private Enterprise Support (525-0280); and (3) Strengthening Local Government (525-0287). Evaluations and special studies will also be funded to ascertain the effectiveness of current and past programs and identify promising areas for program development. These resources, complemented by assistance activities begun in FY 1985 and FY 1986, will continue to support the GOP's program of economic policy reform and structural adjustment.

1. Economic Stabilization.

The government will be forced by massive foreign debt and resource limitations to maintain fiscal austerity. Even so, the unfinanced fiscal gap is expected to be about $85 million in FY 1987. We are proposing $28 million in ESF to cover part of this shortfall and to maintain adequate funding for priority national development programs. This assistance will encourage and support economic policy reforms and the streamlining of public sector operations.

2. Economic Growth

We propose to support the GOP's efforts to create employment and rekindle economic growth through the private sector. A.I.D. assistance will support economic policies and activities conducive to private sector growth.

-- Streamlining Government. A.I.D. will continue to support GOP efforts to reduce its role in activities more appropriate for the private sector. The FY 1987 Private Enterprise Support project (525-0280) will restructure and streamline the Ministry of Commerce and Industry to actively support exports, private sector output and employment. The project is intended to demonstrate a model for introducing efficiency, responsiveness and new policy directions in the Ministry. Ministry resources will be redirected away from regulatory functions that impede private business and toward priority business-support functions. This model may be replicated in other public sector institutions.

-- Industry. The Development Policy Studies project (525-0250) will continue to focus on industrial incentives and policies to institutionalize the policy development process. Investment and export growth will be promoted through several on-going and planned projects: Investment Council of Panama (525-0239); Private Sector Export Finance (525-0261); and Private Enterprise Support (525-0280).

-- Agriculture. $8.3 million dollars is requested for new and ongoing projects in the agricultural sector. The FY 1987 Agricultural Diversification project (525-0266) will promote agricultural extension activities to small farmers through public and private sector cooperation and the direct involvement of the Agricultural Research Institute. Incremental funds will be obligated for: Natural Resource Management (525-0248) and Agriculture Policy Formulation and Management (525-0247).

Funding for the Agriculture Policy Formulation and Management project (525-0247) will enable the Ministry of Agricultural Development to continue revamping agricultural policies and to begin restructuring agricultural institutions. Continued support for the Natural Resource Management project (525-0248) will provide credit and technical assistance for private sector reforestation and improved public management of critical watershed areas, including the Panama Canal watershed.

3. Spreading the Benefits of Growth

-- Agriculture. A.I.D. will increase funding to the National 4-H Organization (PANAJURU) project (525-0281) for local scholarships to agricultural technical schools. Also, funding will continue for rural youth attending the more advanced three-year Zamorano Agriculture Technical School in Honduras under the Panajuru-Zamorano Scholarship Program (525-0285).

The FY 1987 Agricultural Diversification project (525-0266) will deliver appropriate technologies to increase small farm productivity and profits in low income rural areas. The project will build on the experience of the Agricultural Technology project (525-0227) and the Integrated Rural Development project (525-0186) which have demonstrated the effective application of modern technologies and farm inputs to small farms in Panama. Prospects for success of this project are greatly enhanced by recently announced GOP plans to pursue more market-based agricultural policies.

-- Housing and Urban Development. The Shelter and Urban Planning program (525-HG-012) will continue to stress the replacement of slum areas by low-cost condominiums and home improvement loans. The Private Sector Low-Cost Shelter program (525-HG-013) will involve private sector financing and construction of low-cost core units in Panama City and secondary cities. This program will be channeled through private savings and mortgage banks, and private savings and loan associations.

Policy development studies and dialogue will continue through the Development Policy Studies project (525-0250) and smaller centrally funded projects. These projects will examine the social and economic effects of housing incentive laws, interest rate structures, housing finance systems, building standards and alternative sources of long-term shelter investment.

-- Small Business. The Small Business Development project (525-0240) will continue to assist small-scale enterprises by providing technical assistance and credit through private banks.

-- Population. Assistance for commercial contraceptive marketing and other family planning programs will be supported through centrally funded grants to private and voluntary organizations.

4. Strengthening Democratic Institutions and Processes.

U.S. training will expand under the regional Central America Peace Scholarship project (597-0001). Scholarships will provide undergraduate and graduate education in the United States as well as specialized programs for managers and technical specialists from private and public enterprises.

For FY 1987, A.I.D. also will initiate a $12.5 million Strengthening of Local Government project (525-0282) to assist popularly elected municipal government officials to plan, finance and provide municipal services. The 1984 elections of 65 mayors and 505 local representatives marked a transition for Panama. As severe austerity reduces the Central Government's investment budget, local governments will have to provide basic public services and the infrastructure for economic development. The project will train and support these officials for this new role. The project will produce a municipal needs assessment and a series of training and technical assistance activities.

A.I.D. will continue to support the labor movement in educating its own membership under an operational program grant (OPG) to AIFLD.

Mission Director: Ronald Levin

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PANAMA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL TECHNOLOGY DEVELOPMENT	G 525-0180	79	86	2,200	2,200	2,000	1,243	200	650	---	700
AGRICULTURAL TECHNOLOGY DEVELOPMENT	L 525-0180	79	85	9,000	9,000	6,742	4,554	262	2,500	---	1,916
RURAL GROWTH & SERVICE CENTERS	L 525-0183	71	73	10,000	8,150	8,150	7,221	---	929	---	---
INTEGRATED RURAL DEVELOPMENT	L 525-0186	77	77	9,700	9,700	9,700	5,186	---	2,514	---	2,000
PROGRAM DEVELOPMENT AND SUPPORT	G 525-0187	64	C	---	---	2,998	2,481	500	600	500	500
WATERSHED MANAGEMENT	L 525-0191	79	79	9,685	9,685	9,685	8,723	---	962	---	---
AGRICULTURAL COOPERATIVE MARKETING	G 525-0222	84	86	2,300	2,300	1,100	60	1,200	840	---	500
AGRICULTURAL COOPERATIVE MARKETING	L 525-0222	84	86	5,900	5,900	5,900	4	---	2,996	---	2,900
AGRICULTURAL TECHNOLOGY TRANSFER	G 525-0227	82	85	1,500	1,500	1,500	147	---	415	---	350
AGRICULTURAL TECHNOLOGY TRANSFER	L 525-0227	82	85	6,000	6,000	6,000	1,306	---	1,000	---	1,400
AG. POLICY FORMULATION AND MANAGEMENT	G 525-0247	84	88	5,000	5,000	2,500	247	662	1,300	700	1,000
NATURAL RESOURCE MANAGEMENT	G 525-0248	86	91	---	6,600	---	---	2,500	300	1,000	1,000
NATURAL RESOURCE MANAGEMENT	L 525-0248	86	91	---	23,400	---	---	2,253	700	3,000	2,200
NATURAL RESOURCES EDUCATION, OPG	G 525-0257	84	85	1,000	1,000	1,000	73	---	227	---	380
AGRICULTURAL DIVERSIFICATION	* G 525-0266	87	90	---	14,000	---	---	---	---	500	1,700
AGRICULTURAL DIVERSIFICATION	* L 525-0266	87	90	---	16,000	---	---	---	---	2,000	2,000
PANAJURU LOCAL SCHOOL - OPG	G 525-0281	85	86	447	447	200	99	247	150	---	150
PANAJURU - ZAMORANO SCHOOL - OPG	G 525-0285	78	C	---	---	---	---	300	200	300	300

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PANAMA

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						62,732	120,882	59,473	31,443	8,122	16,303	8,300	18,519
GRANTS						12,447	33,047	11,298	4,357	5,609	4,682	3,300	6,182
LOANS						50,285	87,835	45,175	27,086	2,513	11,621	5,000	12,336
POPULATION PLANNING													
POPULATION II		G	525-0204	79	86	---	---	2,973	2,929	---	---	---	---
PROGRAM DEVELOPMENT AND SUPPORT		G	525-0226	81	C	---	---	108	69	100	89	---	50
TOTAL FOR ACCOUNT						---	---	3,081	2,998	100	89	---	50
GRANTS						---	---	3,081	2,998	100	89	---	50
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
PROGRAM DEVELOPMENT AND SUPPORT		G	525-0199	64	C	---	---	1,326	1,000	500	500	500	500
DEVELOPMENT ADMINISTRATION		L	525-0209	81	82	799	799	799	716	---	83	---	---
EDUCATION FOR RURAL DEVELOPMENT		G	525-0219	81	82	490	490	---	---	---	10	---	---
SMALL ENTERPRENUERIAL DEVELOPMENT		G	525-0225	80	83	795	795	795	700	---	95	---	---
PRIVATE SECTOR SCHOLARSHIP FOUND., OPG		G	525-0253	84	85	1,750	1,750	1,750	---	---	700	---	300
INDUSTRIAL RELATIONS SERVICES		G	525-0275	85	86	646	646	200	77	446	200	---	200
PRIVATE ENTERPRISE SUPPORT	*	G	525-0280	87	89	---	5,000	---	---	---	---	1,000	500
PRIVATE ENTERPRISE SUPPORT	*	L	525-0280	87	89	---	4,600	---	---	---	---	1,000	300
PRIVATE AND VOL ORGANIZATIONS - OPG'S		G	525-9999	84	C	---	500	---	---	500	300	---	200
TOTAL FOR ACCOUNT						4,430	14,580	4,870	2,455	1,446	1,888	2,500	2,500
GRANTS						3,681	9,181	4,071	1,739	1,446	1,805	1,500	2,200
LOANS						799	5,399	799	716	---	83	1,000	300

SELECTED DEVELOPMENT ACTIVITIES

[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PANAMA

CP 87

PROJECT TITLE	* L PROJECT / G NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SPECIAL DEVELOPMENT ACTIVITIES	G [illegible]	84	C	---	---	941	940	100	100	100	100
PROGRAM DEVELOPMENT AND SUPPORT	G [illegible]	84	C	---	---	12,966	12,477	750	800	500	900
CNI - NATIONAL INVESTMENT COUNCIL	G [illegible]	83	83	200	200	200	109	---	50	---	42
CNI - NATIONAL INVESTMENT COUNCIL	L 525-0234	83	83	3,773	3,773	3,773	708	---	1,565	---	1,500
SMALL BUSINESS DEVELOPMENT	G [illegible]	84	84	3,000	3,000	2,001	1,762	1,000	500	500	500
SMALL BUSINESS DEVELOPMENT	L [illegible]	84	84	6,000	6,000	4,275	---	1,221	1,000	---	2,000
DEVELOPMENT POLICY STUDIES	G [illegible]	85	87	3,000	3,000	1,197	221	1,407	1,000	400	1,000
SHELTER AND URBAN PLANNING	G [illegible]	84	84	250	250	250	25	---	225	---	---
PRIVATE SECTOR SCHOLARSHIP FOUND., OPS	G [illegible]	84	85	750	750	750	598	---	152	---	---
PRIVATE EXPORT FINANCE	G 525-0261	86	88	---	1,300	---	---	1,000	500	300	500
PRIVATE EXPORT FINANCE	L 525-0261	86	88	---	18,000	---	---	3,054	1,500	4,000	3,500
STRENGTHENING LOCAL GOVERNMENT	* G [illegible]	87	91	---	12,500	---	---	---	---	1,500	500
TOTAL FOR ACCOUNT				16,973	48,773	26,354	16,169	7,332	7,392	7,300	10,542
GRANTS				7,200	21,000	18,306	15,461	4,253	3,327	3,300	3,542
LOANS				9,773	27,773	8,048	708	3,079	4,065	4,000	7,000
ECONOMIC SUPPORT FUND											
FINANCIAL STABILITY & ECONOMIC RECOVERY	G [illegible]	85	85	30,000	30,000	30,000	30,000	---	---	---	---
FINANCIAL STABILITY & ECONOMIC RECOVERY	G [illegible]	85	87	20,000	101,000	20,000	20,000	5,742	28,000	28,000	41,000
TOTAL FOR ACCOUNT				50,000	131,000	50,000	50,000	5,742	28,000	28,000	41,000
GRANTS				50,000	131,000	50,000	50,000	5,742	28,000	28,000	41,000
LOANS				---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PANAMA

CP 87

PROJECT TITLE	* L PROJECT / NUMBER /	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY				134,135	315,235	143,778	103,065	20,942	53,672	46,100	72,610
GRANTS				73,326	194,228	86,756	74,555	17,150	37,903	36,100	52,974
LOANS				60,557	121,007	57,022	28,510	3,792	15,769	10,000	19,636

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* Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: PANAMA

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Diversification	Funding Source	AG, RD & N 800 (G) 2,000 (L)	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 800 (G) 2,000 (L)		Life of Project Funding 14,000 (G) 16,000 (L)
Number 525-0266 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 90	Estimated Completion Date of Project FY 91

Purpose: To establish an area and crop specific agricultural diversification program.

Project Description: Low-level production technology is employed on most small and medium farms in Panama. No mechanism exists to deliver information on alternative crop or livestock technologies which respond to domestic competitive advantages and to export opportunities. Farmers are aware of the Caribbean Basin Initiative (CBI) but lack the knowledge required to determine which crops compete successfully in the U.S. market.

A.I.D.'s on-going Agricultural Technology Transfer Project (525-0227) has developed useful methodologies to evaluate farmers' needs, determine those crops which should be promoted for a specific farmer clientele, and has developed ways to extend crop specific technologies to farmers within specified geographic areas. This information will be applied in the design of the project. The project will integrate research, extension, and marketing activities. Agricultural service centers will be established with the support of agricultural producers' organizations. Regional agricultural development councils will be established to bring together researchers, extensionists, marketing specialists and the individual farmers to plan and execute project activities.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s agricultural sector strategy emphasizes increasing productivity of export crops, as well as those crops for which Panama has a competitive advantage in supplying the local market.

The project responds to the NBCCA's recommendation for sharply increased rural research and extension services targeted to crops produced for the export market.

Host Country and Other Donors: The Government of Panama will provide personnel, operating costs, facilities, and equipment and materials. The project will complement existing World Bank and Interamerican Development Bank credit lines for tropical crop and livestock production.

Beneficiaries: The project will benefit about 40,000 farmers with small or medium-sized operations having commercial potential plus private sector agribusinesses.

Major Outputs	All Years
Improved crop technologies transferred	20
Number of people trained	250

A.I.D. Financed Inputs	Life-of-Project ($000) Grant	Life-of-Project ($000) Loan
Technical Assistance	6,000	-
Training	3,000	-
Equipment and Materials	2,500	6,000
Construction	-	6,000
Evaluation	500	-
Marketing Services		4,000
Other Costs	2,000	
Total	14,000	16,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	800 (G) 2,000 (L)	13,200 (G) 14,000 (L)	14,000 (G) 16,000 (L)	

PROGRAM: PANAMA

PLANNED PROGRAM SUMMARY SHEET

Title Private Enterprise Support	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,000 (G) 1,000 (L) Life of Project Funding 5,000 (G) 4,600 (L)
Number 525-0280 ☒ GRANT ☒ LOAN ☒ NEW ☐ CONTINUING Population		ED. & HR 1,000 (G) 1,000 (L)	Sel. Act.	Initial Obligation FY 87 Estimated Final Obligation FY 89 Estimated Completion Date of Project FY 90

Purpose: To restructure the Ministry of Commerce and Industry to enable it to better support private enterprise.

Project Description: The Government of Panama (GOP), during most of the last two decades structured its administrative organization to accommodate highly protectionist and statist policies. The Ministry of Industry and Commerce (MICI), which has been the chief regulatory body for the industrial and commercial sectors, has played an adversarial relationship with the private sector. Now, with emerging policies which require increased reliance on the private and export sectors to promote growth, MICI cannot implement those policies. Without a properly oriented and competent agency to implement the new economic policies, Panama's growth and development efforts will be retarded.

The project will be based on an in-depth assessment on: MICI's functions; how these should be modified and strengthened; the required basic laws and regulations to guide MICI; and the resources required to effect these changes. It is anticipated that MICI will be reorganized and that legislation may be required to change MICI from a regulatory entity to a support, service agency. The project will address the constraints identified in the assessment and in the areas of export promotion and private investment.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. strategy in Panama seeks to: (1) identify markets for Pananianian exports and (2) foment competitive production in response to market forces. The project will further these objectives by facilitating export procedures, mobilizing resources to assure production for direct and indirect assistance to producers, and by adjusting policies affecting factor costs outside the control of individual entrepreneurs. This project responds to the NBCCA recommendations by calling for promotion of trade opportunities to increase foreign exchange earnings.

Host Country and Other Donors: The GOP will provide office equipment and space, personnel, and other operating costs. Currently, other donors are not planning private sector projects in Panama.

Beneficiaries: The direct beneficiaries of this project will be Pananianian private enterprises and their employees. Indirect beneficiaries will be those obtaining jobs as a result of increased investment and expanded exports.

Major Outputs	All Years
Ministry reorganized	X
Organic Laws leading to increased private sector role in economy passed	X
Exports improved (%)	20
Private sector investment procedures improved	X

A.I.D. Financed Inputs	Life-of-Project ($000) Grant	Loan
Technical Assistance	2,500	-
Training	1,000	-
Equipment and Materials	-	2,000
Export Promotion Program	-	2,600
Other Costs	1,500	-
Total	5,000	4,600

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,000 (G) 1,000 (L)	4,000 (G) 3,600 (L)	5,000 (G) 4,600 (L)	

AID 370-7 (11-85)

PROGRAM: PANAMA

PLANNED PROGRAM SUMMARY SHEET

Title Strengthening Local Government	Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,500 (G)	Life of Project Funding 12,500 (G)	
Number 525-0287 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 1,500 (G)	Initial Obligation FY 87	Estimated Final Obligation FY 91	Estimated Completion Date of Project FY 92

Purpose: To strengthen the capacity of democratically elected local governments to provide municipal services.

Project Description: Public services involving major infrastructure, e.g. extension of water and sewerage lines, are carried out by national government agencies. Local governments are not equipped to provide these services. However, municipalities do, or could, provide a series of services in which they would have an advantage over highly centralized agencies.

Decentralization of responsibilities to local government is receiving strong support by national level organizations, especially the Ministry of Housing (MIVI) and the Ministry of Planning and Economic Policy (MIPPE). A prime reason for this support is the austerity measures taken by the Central government to alleviate Panama's huge debt burden accumulated in the 1970's. Transfers of resources by the Central Government are falling and can be expected to continue to do so. The relatively good public facilities and services built up in the 1970's and early 1980's are already beginning to deteriorate. Local action and local resources need to fill the void created by falling central government budgets.

The project will finance a municipal needs assessment, training and technical assistance activities. The needs assessment will explore municipal development potential in terms of municipalities' economic potential and ability to increase their own revenue bases to support expanded services. Training will concentrate on general fiscal management and planning skills to help municipalities develop better systems of budgeting, revenue collection, and control of expenditure. Efforts will be made to strengthen a local municipal training institute.

Assistance will be provided to the newly formed Association of Inter-Municipal Cooperation which represents municipal councils. Eventually this association will have a small technical staff to provide services to municipalities. In-depth training and technical assistance will be provided on a pilot basis to several cities in Panama to strengthen their capacity to provide municipal services. The project will also include lines of credit for municipalities to finance equipment for infrastructure improvements.

Relationship of Project to AID Country Strategy: The project is consistent with the objectives of the JBCCA report and the A.I.D. strategy of strengthening the capacity of locally elected governments to provide low-cost services to the population.

Host Country and Other Donors: There are no current projects of this kind being carried out by other international donors. Local governments will provide counterparts and finance certain local costs.

Beneficiaries: The project will benefit the population of the four municipalities where improved services will be available.

Major Outputs	All Years
Cities providing improved services	4
Municipal officials trained	300
Strengthened Municipal Cooperation Association	X
Infrastructure improvement projects completed	7

A.I.D.-Financed Inputs	Life-of-Project ($000)
Technical assistance	4,500
Training	2,500
Credit Fund for Capital Improvements	5,500
TOTAL	12,500

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,500 (G)	11,000 (G)	12,500 (G)

Principal Contractors or Agencies

CENTRAL AMERICA
REGIONAL PROGRAM (ROCAP)

CENTRAL AMERICAN REGIONAL PROGRAM

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	12,000	6,800	-	-	-	5,200	-	-
Grants	148,457	5,253	-	13,350	27,684	4,177	97,993	-
Total	160,457[1]	12,053		13,350	27,684	9,377	97,993	-
1986								
Loans	6,200	6,200	-	-	-	-	-	-
Grants	94,559	8,929	1,190	12,363	16,065	4,334	51,678	-
Total	100,759	15,129	1,190	12,363	16,065	4,334	51,678	-
1987								
Loans	26,387	8,387	-	-	-	-	18,000	-
Grants	117,613	16,225	-	2,713	33,025	8,650	57,000	-
Total	144,000	24,612		2,713	33,025	8,650	75,000	

[1] Includes $39,829 million ($6.2 million ARDN, $4.612 million EHR, $1.017 million SDA and $28 million ESF) from the FY 1984 Supplemental Appropriation.

FY 1987
PROGRAM HIGHLIGHTS

To implement recommendations of the National Bipartisan Commission on Central America, continuation of:
- The Central America Peace Scholarship program, for U.S. training of disadvantaged Central Americans with leadership potential ($27.5 million EHR and $5.5 million ESF).
- The Regional Administration of Justice and Strengthening Democracy projects, through which democratic institutions are being strengthened ($10.5 million ESF).
- The Trade Credit Insurance Program, to further economic stabilization and growth objectives by provision of credit to exporters ($25 million ESF).
- Export-oriented agribusiness and agricultural projects to increase income, employment, and foreign exchange earnings ($24.612 million in ARDN, $15 million in ESF).

CENTRAL AMERICAN REGIONAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	8,000	7,000	15,500
Grants	38,853	83,423	105,309
Total AID	46,853	90,423	120,809
P.L. 480 **			
Title I			
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	-	-	-
Total AID and P.L. 480	46,853	90,423	120,809

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	-	-	-	-	-	-

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

CENTRAL AMERICA REGIONAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	15	15	15
PASA[b]	0	0	0
TOTAL	15	15	15

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	2	40	42	15	220	235	20	230	250
Regional[e]	7	60	67	-	-		-	-	
TOTAL	9	100	109	15	220	235	20	230	250

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	-	29	25	-	25	25	-	25
Regional[e]	-	-		-	-		-	-	
TOTAL	29		29	25	-	25	25	-	25

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

CENTRAL AMERICA REGIONAL PROGRAM

Development Overview

An overview of Central American problems and A.I.D.'s approach to their resolution is contained in the regional overview statement. The goals of the Central American Initiative are also described there. A.I.D.'s regional program supports the overall Central American strategy through appropriate use of regional institutions and other regional initiatives to supplement the efforts of the bilateral Missions. Such programs are closely coordinated with the bilateral Missions. These regional activities are implemented through the Regional Office for Central America and Panama (ROCAP)[1] and through other Central American regional projects managed in A.I.D./Washington[2].

U.S. Interests and Objectives

As with the bilateral Central American programs, the principal objectives of the regional program are to further the four primary goals identified by the National Bipartisan Commission on Central America (NBCCA): economic recovery and stabilization, economic growth, more equitable distribution of the benefits of growth, and strengthening of democratic institutions and processes throughout the region.

A.I.D. Development Strategy

In the past few months a major management effort has been made, under new ROCAP and LAC Bureau leadership, to more clearly define the role and objectives of ROCAP in relation to the bilateral USAIDs in implementing the goals of the Central American Initiative. The outcome of this effort has been to refine ROCAP's role as follows:

- To support efforts aimed at creating an immediate impact upon those development constraints identified in the Central American Initiative which can best be addressed through a regional, or combined regional and national approach.
- To strengthen the Central American institutions that will implement these efforts in order to enable them to provide the technical and financial assistance needed.
- To conduct research and analysis designed to provide information to the Latin America and Caribbean (LAC) Bureau and Central American and Panama Missions on economic and social trends in the region and to improve AID's understanding of and ability to impact on both short- and long-term development constraints in Central America and Panana.

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[1] Project numbers begin with 596
[2] Project numbers begin with 597

To provide technical support services, including those available from regional institutions to the Central America and Panama USAIDs, based upon their stated needs, where such regional support is justified on the basis of personnel savings, other economies of scale, or where such service would result in faster, more efficient support and a reduced administrative burden for the USAIDs.

As a further supplement to ROCAP's and the bilateral Missions' efforts, certain projects needed to implement the NBCCA recommendations are being implemented and designed by the LAC Bureau in Washington. Projects are managed in Washington rather than ROCAP in those instances where the relevant staff exists in Washington, but not in ROCAP. In both ROCAP and LAC/Washington, programs are being managed and developed that support such regional initiatives recommended by the NBCCA as infusion of new resources into CABEI, export promotion efforts, a major scholarship program to bring Central Americans to study in the United States, encouragement of democracy and improved judicial systems, renovation of a system for translating English-language textbooks into Spanish, and strengthening the teaching of business administration.

A.I.D. Program (FY 1985 and FY 1986)

To implement the recommendations of the NBCCA, A.I.D. provided through the Central American Regional Program $62.46 million of DA and $97.99 million of ESF in FY 1985 and is providing $51.678 million of ESF and $49.08 million of DA in FY 1986. Of the FY 1985 funding, $28 million of ESF and $11.829 million of DA were made available in the FY 1984 Supplemental Appropriation.

A. Economic Stabilization.

1. Economic Support Funds. The NBCCA recommended that A.I.D. promote the revitalization of the Central American Common Market as a supplement to stabilization efforts being carried out bilaterally. An assessment of potential approaches to achieve this was carried out during FY 1985. The study concluded that a realignment of exchange rates among countries for Central American trade would reduce the pattern of trade deficits -- the main obstacle to larger intraregional trade -- to manageable levels, and that foreign assistance to finance deficits was unlikely to play a productive role in stabilization. In this situation, ROCAP has no current plans for direct assistance to support Central American trade.

In FY 1985, a reserve fund was established to support a Trade Credit Insurance Program (597-0004) designed to encourage U.S. commercial banks to extend necessary amounts of short-term trade credit to Central American countries despite concerns about security and economic conditions in the region. For FY 1985, $300 million of guarantee authority was authorized, against which a reserve fund of $60 million was established. At the end of FY 1985, $10 million was obligated by agreement with Eximbank, and $50 million was reprogrammed. For FY 1986, $250 million of guarantee authority has been authorized, and an additional $27.0 million is being budgeted to replenish the reserve fund. Of this $27 million amount, $19 million in ESF is in the regional budget, and the remaining $8 million is being reserved within the participating countries' bilateral ESF programs ($3 million from Costa Rica, $4 million from El Salvador, and $1 million from Honduras) until the precise amount needed for reserves can be determined late in FY 1986 on the basis of further operating experience with the program. The bilateral reserves are necessitated by the sharp reduction in ESF funds appropriated for FY 1986 as compared with the request level.

B. Economic Growth.

1. Economic Support Fund. Initial funding of $47 million ($35 million in ESF, $6.8 million in ARDN, and $5.2 million in SDA funds) was provided in late FY 1985 to the Central American Bank for Economic Integration (CABEI) for the Regional Economic Recovery project (596-0114), which will mobilize increased capital flows to Central America and stimulate the growth of extraregional exports. The project is improving CABEI's financial and managerial viability and strengthening its collaborative private sector program, through which CABEI and intermediate credit institutions in the participating countries place particular emphasis on agroindustrial exports. As a part of its managerial improvement, CABEI has developed a new unit to recover arrearages.

2. Agriculture and Rural Development. A cluster of agricultural and agribusiness projects support bilateral efforts in this key sector, the most vital sector to achieving increased productivity, employment, exports and improved foreign exchange earnings throughout Central America.

A.I.D.'s strategy for longer-term growth in Central America relies heavily on increasing nontraditional agricultural and agribusiness exports. To stimulate export-led growth and a more outward-looking regional economy, a major export promotion project is planned for FY 1986. The Agribusiness Development and Promotion project (596-0123) will expand investments in export-oriented agribusiness by providing medium- and long-term credit to finance capital improvement. Funds will be channeled through the Latin American Agribusiness Development Corporation (LAAD), the project's proposed implementing institution. Evaluations of earlier and very successful LAAD projects are being studied to ensure that the new project has the maximum effect on extraregional exports, small farmer production, and employment.

The Nontraditional Agricultural Export Support project (596-0108), originally scheduled for FY 1985 funding, will be initiated in FY 1986 to provide a range of services to support bilateral initiatives in nontraditional agricultural exports. It will provide market information services, technical services and seminars, training in agribusiness administration and management, and research information on production technologies.

Resources provided to the Latin American Export Bank (BLADEX) under the Export Promotion Fund project (596-0109), initiated in FY 1982, provide foreign exchange for the importation of raw materials, intermediate goods, and spare parts that nontraditional agricultural and industrial exporters require for production. Over $80 million in pre-export and export financing has been provided to date from a revolving fund capitalized by the AID loan together with BLADEX co-financing. While the project has helped to address an urgent need, demand for BLADEX credit lines has been lower than originally projected. Based on a project assessment completed in 1985, the project is being reoriented to accelerate disbursements.

In addition to these major export-oriented projects, a variety of technical assistance activities in agriculture, and in natural resource and rural energy development and conservation, support and complement parallel efforts through the bilateral programs.

The Small Farm Production Systems project (596-0083) was extended in FY 1984 on the basis of an evaluation which recommended additional time to complete critical field work. Under the project, successful research on improved technologies for crop production, animal production, and mixed farming systems for small farms has been carried out under the Agricultural Center for Training and Research (CATIE) auspices. The extension period is especially critical for the dissemination of research findings and recommendations to small farmers. A final evaluation conducted in August 1985 concluded that the project has had a major impact in developing national capability in small farm production systems research.

The Coffee Rust and Pest Control project (596-0090) involves the Inter-American Institute of Agricultural Cooperation (IICA), CATIE, the International Regional Institute for Agricultural Sanitation, and national-level, private-sector, coffee organizations for controlling coffee rust. Unless controlled, this pest could affect up to 50% of the region's coffee crop by 1987, and limit production by approximately 500,000 small farmers. Resistant varieties of coffee plants and improved production techniques are being developed and disseminated with excellent results.

In FY 1984, the Pest Management project (596-0110) was initiated to address a major cause of pre-harvest losses and low productivity in the agricultural sector. Assistance to national institutions to improve technologies for control of pest-related damage is an important project objective. The short-term training of personnel and construction of a laboratory have been completed and research has begun.

Initial FY 1985 funding of $11.2 million ($11 million ESF, $.2 million ARDN) was provided to the Agricultural Higher Education project (596-0129), to produce a professional human resource base better able to address the agricultural problems of Central America. This will be accomplished by strengthening and expanding the scope and relevance of the graduate studies program at CATIE and creating an undergraduate tropical agriculture school in Costa Rica.

The FY 1986 Agricultural Research Networks project (596-0127) will accelerate the development, testing and dissemination of production technologies for export and domestic food crops. Centered at CATIE, the project will create or strengthen commodity or problem-specific networks of research institutions in Central America.

Extensive tree cutting by the rural population for heating and cooking is contributing to deforestation and soil degradation. Under the Fuelwood and Alternative Energy Sources project (596-0089), the Central American Research Institute for Industry (ICAITI) and CATIE are developing and improving cultivation of faster growing varieties of trees for fuelwood and promoting the use of alternative energy sources such as more fuel-efficient stoves. Both institutions are concentrating on technology dissemination. An evaluation of the ICAITI alternative energy component of the project, carried out in October 1984, recommended an 18-month extension (from December 1984 to June 1986) of this component in order to expand and reinforce technology transfer and dissemination activities under the project, building on the significant research accomplishments achieved to date. An extension of the project has been approved to continue those activities.

The Tree Crop and Fuelwood Production project (596-0117), initiated late in FY 1985, is an outgrowth of the above-described project. It will carry out silviculture research, conduct demonstration and training activities at CATIE, and focus on the production of wood by small farmers for a broad range of uses, including fuelwood.

In FY 1986, $2 million is budgeted under the Dairy Production (Sec. 416) project (597-0009) for activities in Central America pursuant to the Congressional earmark of $5 million in A.I.D.'s FY 1986 ARDN appropriation for activities that will stimulate demand for dairy products and, at the same time, promote indigenous agricultural development. These funds will be used by one or more Central American countries.

Additional funding will be provided in FY 1986 for the ongoing Pest Management, Industrial Energy Efficiency, Watershed Management, Tree Crop Production, Regional Agricultural Higher Education, and Regional Economic Recovery projects.

3. Education and Human Resources. To complement the agricultural export-oriented projects, a new Regional Export Management Training project (596-0124) will be initiated in FY 1986 with the Central American Business Administration School (INCAE) to improve export management capacity within the region's private sector. Success in mounting an extraregional export drive will require new attitudes and new management and technical skills, all of which are expected from this project.

4. Selected Development Activities. Lack of effective management of the region's water resources has led to siltation of rivers and reservoirs, reduced water flow and energy production capacity, soil degradation, and a significant reduction in the life expectancy of hydroelectric power plants and thus the economic returns from investments in the plants. The Watershed Management project (596-0106), initiated in FY 1983, is developing the technical capacity of regional and national institutions to plan for and manage watersheds effectively. An interim evaluation of the

project carried out in September 1985 found that CATIE, which is executing the project, is making significant progress in developing and institutionalizing its capability in watershed management as well as that of the national counterpart organizations with which it works.

The Regional Industrial Energy Efficiency project (596-0095) is financing assistance from ICAITI in coordination with national chambers of industry, to small and medium-sized industries to increase energy efficiency. An excellent example of the type of technology transfer which the Central America Regional program supports, the project includes energy audits, appropriate technology improvements, training and studies of energy consumption. An interim evaluation of the project was conducted in October-November 1984 and concluded that it is one of the most innovative energy conservation undertakings currently being carried out in developing countries and has the potential of becoming one of the most successful. The evaluation noted that the project is, at present, the only truly regional energy conservation effort in the world and that the private sector was its major beneficiary.

The FY 1986 Industrial Quality Control and Productivity project (596-0128) will continue the momentum attained under the Fuelwood and Alternative Energy Source (596-0089) and the Regional Industrial Efficiency (596-0095) projects and enable the Central American Industrial Research Institute (ICAITI) to continue its program of applied research and technical assistance in technology transfer. The project will provide a broad range of technical services and training to Central American industry.

A Technical Consultants and Training project (496-0145) is being initiated in FY 1986 to enable ROCAP to provide consultants, training, data collection, studies and other short-term support needed to reinforce the bilateral Missions' programs, primarily in agriculture and private-sector development.

In agriculture, the project will address common needs throughout the region for rapid and reliable access to high-quality, up-to-date technical assistance and information on agricultural and rural development problems identified as being of highest priority in the NBCCA report. The project will make available technical advisors in such areas as post-harvest loss of food crops, food processing, and environmental management. A monitoring mechanism will be established to collect data and prepare reports on progress in achieving the principal agricultural and rural development goals of the NBCCA.

The second component of the project will promote private-sector growth through (a) the provision of technical assistance and skills training to local private firms, and (b) creation of a more favorable public-sector policy environment. Technical assistance and training will be provided in such areas as export promotion, investment promotion and marketing, project design and management, management training, and policy formulation affecting the private sector.

C. Equity.

1. Health. An oral rehydration therapy (ORT) project, ORT, Growth Monitoring, and Nutrition Education (596-0115), was begun in FY 1985. The goal of this project is to reduce infant and child mortality and severe malnutrition in Central America by increasing the use of ORT, growth monitoring, and appropriate feeding practices. The project is being implemented by the Nutrition Institute of Central America and Panama (INCAP). The Technical Support for Food Assistance Programs project (596-0116) was authorized in late FY 1985 and will help INCAP continue to improve the implementation of food assistance programs throughout the region. The overall goal of this project is also to reduce infant and child mortality by improving nutritional status among high-risk populations in Central America and Panama. Both projects respond to specific NBCCA recommendations.

In FY 1986, $3 million is budgeted for the Essential Drugs and Malaria project (597-0136) This project was initiated in FY 1985 as a ROCAP (596-0136) project with an initial $2 million obligation. The principal purposes of the project are to reduce mortality and morbidity from malaria and increase access to critically needed basic medicines for Central America and Panama.

Two new health projects are scheduled to begin in Central America in FY 1986: the Child Survival/Accelerated Immunization project (597-0005), and the Health Technology Development and Transfer project (597-0006). The purpose of the former project, to be carried out with the Pan American Health Organization (PAHO), is to strengthen and accelerate PAHO's Expanded Program on Immunization in the region, and its objective of improved child survival. Specifically, the project aims to interrupt the indigenous transmission of wild polio virus in the American region, including Central America, by the year 1990. Five donors, including PAHO, the Interamerican Development Bank, UNICEF, Rotary International, and A.I.D. are involved.

The Health Technology Development and Transfer project has three components, all of which benefit the Central American Missions: a Health Services Financing component, through a contract with State University of New York at Stonybrook; a Management Training in Health component, through a Cooperative Agreement with AUPHA (Association of University Programs in Health Administration); and a Clinical Training component, through a Cooperative Agreement with the Interamerican College of Physicians and Surgeons.

2. Population. With population growth averaging almost 3% throughout Central America, family planning remains one of the region's highest priority needs if real per capita growth rates are to be achieved and if the benefits of growth are not to be nullified or eroded by rapid growth in population. A project, Private and Voluntary Organizations-OPGs (597-9999), is being established in FY 1986 to provide a flexible means of responding to PVO proposals that complement and reinforce the bilateral family planning programs. An initial activity planned for FY 1986 is a

five-year grant of $650,000 to the Guatemala Information Center for production of materials to provide couples in Central America with information on family planning to permit informed decision making. This project is in support of Central American population policies which call for provision of family planning information and services so that couples can voluntarily make decisions about family size and spacing.

3. Education and Human Resources. The Central American Peace Scholarship (CAPS) program (597-0001) was initiated in FY 1985 with $29,650,000 ($2.1 million in ESF, $27.55 million in EHR) obligated among the Central American regional and bilateral programs. This project is the centerpiece of A.I.D.'s response to an NBCCA recommendation that a major program of training in the United States be launched, with emphasis on reaching the disadvantaged elements of Central American societies and countering the large number of Soviet Bloc and Cuban scholarships being made available to lower income persons in the region. Through 1989, this project will provide both long- and short-term training in the United States for over 7,000 participants from Central America and Panama. About 2,000 participants will receive graduate and undergraduate training. An estimated 5,000 will receive short-term technical training, typically one to three months in duration. In FY 1985 approximately 1,600 students arrived in the United States to begin their training programs. Each Mission has prepared a country training plan which will serve as a blueprint for the next four years. Within the training plan, a specific means test has been developed and applied in each country to assure that those who are selected have non-elite backgrounds. While the students are being trained in developmental areas, the program uses leadership potential and economic need as primary selection criteria.

A.I.D. has actively sought to develop and implement ways of reducing the costs of this project so that the benefits of U.S. training can be offered to the maximum number of individuals. The cost reductions encompass several different areas, including:

-increasing the amount of cost-sharing with private and public sector agencies in host countries;

-increasing the participation of the U.S. private sector in cost-sharing arrangements for training;

-increasing the number and detail of contractor cost studies, which provide information on areas that can be cut without reducing program quality.

In addition, A.I.D. has developed a new approach to the competitive contracting process that will generate detailed information on costs and services at the proposal stage that can be used to decide on the most cost-effective proposal, but can also be used to monitor implementation and tighten management of training programs. Finally, A.I.D. is also focusing more attention on the placement process to ensure that the most cost-effective programs are selected that meet students' needs.

In FY 1985 $4,087,000 was obligated under this project for an activity with Georgetown University designed to help place disadvantaged Central American students in three community colleges in the United States. For FY 1986, $4,000,000 will be obligated with Georgetown for an expansion of this program.

One new education project will be initiated in FY 1986, the Regional Translation Activities Center (RTAC) II project (597-0007). This project will build on work conducted over the past twenty years by a highly successful predecessor project, which provided technical information in Spanish to the Latin American region in the form of commercial books and noncommercial booklets, pamphlets, and leaflets. Commercial books were published by private-sector publishers in the region, primarily in Mexico and Argentina. RTAC contracted with the publishers to buy a predetermined number of copies. Noncommercial booklets and pamphlets were published by RTAC itself.

The RTAC II project will be responsive to recommendations made by the NBCCA Commission which found that, in the interim since the RTAC phase-out, many Soviet-Bloc publications have replaced higher-priced American Spanish-language materials. RTAC II will re-establish certain activities and services provided by the popular earlier program, including the commercial and noncommercial book programs and support of university bookstores.

D. Strengthening Democracy.

1. ESF. A.I.D. is engaged in several regional programs to help the efforts of Central Americans committed to strengthening democracy. A major goal of the program is to encourage the holding of free and fair elections, one touchstone of democracy. The Center for the Study of Electoral Processes (CAPEL), a regional entity located in San Jose, Costa Rica, has quickly developed with A.I.D. support into a center of excellence in training, advisory services, research and educational programs to support local efforts to assure the integrity of the electoral process. It has carried out an effective training program for poll officials and party representatives in support of Guatemala's recent elections with A.I.D. assistance, and sent observers to the Guatemala and Honduran elections. A.I.D. also provides direct funding to election commissions for procurement of essential commodities such as ballot paper and boxes that help prevent fraud. At the grassroots level, A.I.D. is supporting civic education to train low-income citizens in analyzing community problems and mobilizing public and private energies to improve the quality of life. At the top of the political structure, A.I.D. is making available technical assistance to design programs enhancing the capabilities of legislatures.

Another major part of the democracy-strengthening strategy is to help establish and maintain the rule of law, a vital foundation of democracy. The Latin American Institute for the Prevention of Crime and Treatment of Offenders (ILANUD), an organization dedicated to assisting national programs to develop and to strengthen independent judiciaries to assure the fair and impartial administration of justice, is playing an important role in this. With A.I.D. assistance, ILANUD has launched a broad program, including: consultancies on law reform and revision; pilot projects in criminal statistics and court administration; support for national law reform commissions; comprehensive assessments of justice systems; collections of basic legal materials for core libraries; and long- and short-term training for judges, prosecutors, legislators and other legal professionals.

In FY 1985, the Strengthening Democracy project (597-0003) was initiated with $5 million used principally for two three-year projects designed to increase citizen participation in democratic political processes throughout Central America and Panama in civic education, training in community action, and strengthening civic and youth organizations and municipal public service agencies. Other funds enabled the Honduran electoral court to purchase commodities needed to implement measures to prevent fraud in the November 1985 national election, and to help the Guatemalan and Honduran legislatures design and implement training programs for their newly elected members. A.I.D. intends to obligate $2.5 million in FY 1986 for similar kinds of activities, including continued support to improve legislative and electoral processes, increase communication among legislative leaders in the region, and promote freedom of the press by initiating a program to enhance the professionalism of journalists and broadcasters.

Under the Regional Administration of Justice project (597-0002), $10 million was obligated in FY 1985 to strengthen the capacity of regional and national institutions to provide services that help improve the administrative, technical, and legal performance of national justice systems in Central America, with major emphasis on criminal justice systems. Principal activities to date include long- and short-term training for judges, prosecutors and mid-level career public attorneys, sector assessments of justice systems, programs to improve the collection of criminal justice statistics, technical assistance in law reform, establishment of commissions for judicial reform, and support for law libraries. An obligation of $2.5 million is planned for FY 1986.

The Training for Democracy project (597-0138) has provided $1 million in FY 1985 obligations to fund some of the various training activities described above.

2. Education and Human Resources. Beginning in FY 1986, the Central American component of the ongoing LAC-regional Free Labor Development (AIFLD) project has been split off into a discrete entity (597-0007). The AIFLD project in Central America will seek to: (1) strengthen free and democratic trade unionism; (2) foster self-reliance and independence among unions; and (3) make trade unionism a powerful force for democratic development and social change. The program will bring together business and labor, North and Central Americans, and the public and private sectors to accomplish these objectives.

The AIFLD program includes union leadership training, housing projects, community development and related social projects, the development of credit institutions for lower income workers, and assistance in farming cooperatives for marginal farmers in the production and marketing of crops.

In sum, While A.I.D. assistance cannot guarantee the success of democracy in Central America, A.I.D. is certainly serving to strengthen the indigenous forces that support it and the institutional capabilities needed to help root it more firmly in the region.

Requested Year Program (FY 1987)

In FY 1987, $75 million in ESF and $69 million in DA funds are requested for the Central American regional program. Four new projects are proposed for FY 1987.

A. Economic Stabilization.

1. ESF. In FY 1987, $25 million is requested for continuation of the Trade Credit Insurance Program (TCIP). This amount, together with an additional $10 million to be reserved from participating countries' bilateral ESF levels in FY 1987, will provide sufficient loss reserves to underwrite the FY 1987 appropriation authority that is also requested to guarantee or insure loans for the TCIP not to exceed $300 million of contingent liability at any one time outstanding for loan principal.

B. Economic Growth.

1. Agriculture and Rural Development. Destruction of the natural resource base of Central America is accelerating rapidly, affecting food production, water quality, and the availability of forest resources. Included in this destruction -- some of which is now irreversible -- are natural areas which contain some of the world's most diverse biological resources, including germplasm used in the agricultural, forestry, and pharmaceutical industries. The Fragile Lands Management project (596-0140) will upgrade management capability in the region to identify, protect and develop economically important species of plants and animals found in fragile natural environments of Central America. A total of $2 million in ARDN funds is requested to initiate this project in FY 1987.

An additional $10 million in ESF and $8.387 million in ARDN funds are requested to continue the Agribusiness Export Development and Promotion project with LAAD. $13.725 million in ARDN funds are requested for continuation of the Watershed Management, Nontraditional Agricultural Export Support, Pest Management, Tree Cropping and Fuelwood Production, Regional Agricultural Research Networks, and Technical Consultants and Training projects, and for Program Development and Support costs.

2.Education. In FY 1987, $2.125 million in EHR funds are requested to continue the Export Management Training project.

3. Selected Development Activities and ESF. A new project, Industrial Technical Quality Control and Management (596-0128), is proposed for initiation in FY 1987 with $3 million in SDA funds. The purpose of this project is to increase the productivity of industries in Central America and Panama through improved technology. The project will continue the momentum attained under the Fuelwood and Alternative Energy Source

(596-0089) and the Regional Industrial Efficiency (596-0095) projects in developing ICAITI's capabilities in applied research and technology transfer. ICAITI will be enabled to carry out a program of applied research, technical training, and other assistance related to specific industry needs. ICAITI's evolving commercial applications for processing wood, fish, fruit, cacao, grains, ceramics, salt, bread, lime, and other products will be expanded, as will the process of transferring technology to national and industrial counterpart institutions and firms.

In FY 1987, $900,000 in SDA funds and $5 million in ESF funds are requested for an amendment to the ongoing Central America Energy Resources project (596-0134). This project assists the countries of Central America to strengthen their capabilities to identify and exploit indigenous energy resources. The requested funds will provide for a follow-on to the energy initiative currently being implemented by the Los Alamos National Laboratory (LANL) in collaboration with the U.S. Department of Energy (DOE). This amendment will have two components: (1) continuation and expansion of the regional support services in geothermal reconnaissance, prefeasibility and other studies, all aimed at packaging bankable energy development proposals in the region; and (2) additional energy situation, policy and pricing analyses and the training of Central American energy and policy personnel officials.

A second energy project, Central America Rural Electrification Support (597-0010), is planned for initiation in FY 1987 with $5 million in ESF funds. This project, to be implemented by the National Rural Electrification Cooperation Association (NRECA) and ICAITI, will promote residential and small-scale rural industrial use of energy throughout Central America, by encouraging decentralization of rural electification, private sector involvement in power utilities, and the development of a more integrated institutional structure in Central America for rural electrification programs.

For Program Development and Support costs, $750,000 in SDA funds and $500,000 in ESF funds are requested in FY 1987.

C. Equity.

1. Health. In FY 1987, $2.713 million in Health funds are requested for continuation of the Child Survival/Accelerated Immunization and Essential Drugs and Malaria projects, and for Program Development and Support costs.

2. Education and ESF. In FY 1987, $5.5 million is requested in ESF and $27.5 million in EHR for continuation of the Central America Peace Scholarships project. This will bring to the United States socially and economically disadvantaged Central Americans, emerging entrepreneurs who have had little or no exposure to U.S. business methods and products, and individuals with exceptional leadership qualities. The project will continue to follow the training plans approved for each Mission.

For continuation of the RTAC II project and for Program Development and Support costs, $1.9 million in EHR funds are requested in FY 1987.

3. Selected Development Activities and ESF. The NBCCA report identified housing and the development of urban services as critical needs in Central America, affecting as much as three-quarters of the population of the area. The poor make up the bulk of this affected group. As noted in the report, over 40% of the region's people live in cities, and by the turn of the century all the Central American countries are expected to be predominantly urban. However, the cities lack sufficient resources to provide even such basic services as potable water supply and sanitation to their existing populations, and the economic collapse in the region has caused further deterioration of urban living conditions to the lowest point in decades.

The purpose of the Shelter and Urban Development Assistance project (596-0143), proposed for initiation in FY 1987, is to provide affordable housing and infrastructure services such as clean water and sewage disposal to lower income groups in Central America, by strengthening the capability of CABEI to maintain a financial resource flow to national housing finance institutions and municipalities. Over the years, CABEI has played a major role in financing shelter and urban development activities in the region. Its ability to continue this role is now limited because of the economic and political problems of the region, which have severely reduced the flow of external private-sector and official assistance to the housing sector. The project will enable CABEI to strengthen its Housing Fund and continue to serve as a regional mortgage discount facility. Channeling A.I.D. funds to finance basic infrastructure activities will also enable CABEI to develop new capabilities to serve low-income families.

D. Democracy.

ESF funds of $10.5 million are requested in FY 1987 to continue the Strengthening Democracy (597-0003) and Administration of Justice (597-0002) projects.

ROCAP Mission Director: Nadine Plaster

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: [illegible]

FY 87

PROJECT TITLE	* LOAN/GRANT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	THROUGH FY 85 OBLIGATIONS	THROUGH FY 85 EXPENDITURES	ESTIMATED FY 86 OBLIGATIONS	ESTIMATED FY 86 EXPENDITURES	PROPOSED FY 87 OBLIGATIONS	PROPOSED FY 87 EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	[illegible]	---	---	[illegible]	[illegible]	[illegible]	[illegible]	304	[illegible]
SMALL FARM IRRIGATION SYSTEMS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---
RURAL [illegible] AND ALTERNATIVE ENERGY SOURCES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---
COFFEE RUST AND PEST CONTROL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	[illegible]
CENTRAL AMERICAN [illegible] ASSISTANCE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	[illegible]
REGIONAL NUTRITION [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---
[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---	[illegible]	---	[illegible]	---
AGRICULTURAL SECTOR SUPPORT	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---	[illegible]	[illegible]	[illegible]	[illegible]
EXPORT PROMOTION FUND	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	---	---	---
PEST MANAGEMENT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RURAL ECONOMIC RECOVERY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	---	[illegible]	---	[illegible]
TREE CROPPING [illegible] PROD.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	[illegible]	[illegible]	[illegible]	[illegible]
EXPORT AGRIBUS. [illegible] PROMOTION	[illegible]	[illegible]	[illegible]	---	[illegible]	---	---	[illegible]	[illegible]	[illegible]	[illegible]
REG. AGRIC. RESEARCH NETWORKS	[illegible]	[illegible]	[illegible]	---	10,000	---	---	[illegible]	[illegible]	[illegible]	[illegible]
REG. AGRIC. HIGHER EDUC.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	---	[illegible]	---	[illegible]
FRAGILE LANDS MANAGEMENT	* [illegible]	[illegible]	[illegible]	---	10,000	---	---	---	---	[illegible]	[illegible]
TECH CONSULTANCIES AND TRAINING	[illegible]	[illegible]	[illegible]	---	6,000	---	---	---	---	[illegible]	300

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ROCAP

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS LOANS				51,442 30,242 21,200	120,247 74,047 46,200	52,259 34,059 18,200	35,462 27,462 8,000	11,815 5,615 6,200	12,678 7,678 5,000	24,112 15,725 8,387	18,183 9,183 9,000
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT	G 596-0000	84	C	---	---	123	28	75	75	75	75
ORT, GROWTH MONITORING AND EDUCATION	G 596-0115	85	85	8,000	8,000	8,000	146	---	3,000	---	3,000
FOOD ASSISTANCE SUPPORT	G 596-0116	85	86	5,600	5,600	3,250	47	2,350	2,000	---	2,000
ESSENTIAL DRUGS AND MALARIA	G 596-0136	85	89	7,000	7,000	2,000	---	---	1,000	---	850
TOTAL FOR ACCOUNT GRANTS LOANS				20,600 20,600 ---	20,600 20,600 ---	13,373 13,373 ---	221 221 ---	2,425 2,425 ---	6,075 6,075 ---	75 75 ---	5,925 5,925 ---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	G 596-0000	85	C	---	---	134	18	---	75	---	41
INCAE EXPANSION	G 596-0117	84	84	4,000	4,000	---	---	---	---	---	---
EXPORT MANAGEMENT TRAINING	G 596-0124	86	88	---	7,500	---	---	2,400	500	2,125	2,000
TOTAL FOR ACCOUNT GRANTS LOANS				4,000 4,000 ---	11,500 11,500 ---	134 134 ---	18 18 ---	2,400 2,400 ---	575 575 ---	2,125 2,125 ---	2,041 2,041 ---
SELECTED DEVELOPMENT ACTIVITIES											
PROGRAM DEVELOPMENT AND SUPPORT	G 596-0000	75	C	---	---	2,152	1,051	750	950	750	950
REGIONAL INDUST ENERGY EFFICIENCY	G 596-0093	82	88	6,000	16,000	3,980	2,286	1,000	1,000	900	900
WATERSHED MANAGEMENT	G 596-0106	83	87	6,000	6,000	3,122	603	1,400	1,300	---	1,000
REG. ECONOMIC RECOVERY	L 596-0114	85	88	5,200	5,200	5,200	---	---	2,000	---	2,500

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: [illegible] FY 87

PROJECT TITLE	* L PROJECT / G NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	THROUGH [illegible] OBLIGATIONS	THROUGH [illegible] EXPENDITURES	ESTIMATED [illegible] OBLIGATIONS	ESTIMATED [illegible] EXPENDITURES	PROPOSED [illegible] OBLIGATIONS	PROPOSED [illegible] EXPENDITURES
[illegible] AND [illegible]	* G [illegible]	87	90	---	[illegible]	---	---	---	---	3,000	1,000
C.A. SHELTER AND URBAN DEVELOPMENT	* G [illegible]	[illegible]	88	---	[illegible]	---	---	---	---	1,000	500
[illegible] TRAINING	G [illegible]	[illegible]	90	---	[illegible]	---	---	[illegible]	---	3,500	1,0[illegible]
TOTAL FOR ACCOUNT				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GRANTS				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LOANS				[illegible]	[illegible]	[illegible]	---	---	[illegible]	---	[illegible]
ECONOMIC SUPPORT FUND											
PROGRAM DEVELOPMENT AND SUPPORT	G [illegible]	[illegible]	C	---	---	1,135	427	[illegible]	775	500	650
[illegible]	G [illegible]	[illegible]	[illegible]	35,000	35,000	35,000	---	---	10,000	---	13,000
EXPORT [illegible] PRODUCTION	L [illegible]	86	[illegible]	---	25,000	---	---	---	---	10,000	2,000
[illegible]	G [illegible]	[illegible]	[illegible]	---	[illegible]	11,000	---	---	[illegible]	[illegible]	[illegible]
COOPERATIVE HOUSING INITIATIVE	G [illegible]	[illegible]	[illegible]	10,000	10,000	10,000	---	---	[illegible]	---	3,000
CENTRAL AMERICA [illegible] RESOURCES	G [illegible]	[illegible]	[illegible]	10,000	[illegible]	10,000	[illegible]	---	[illegible]	[illegible]	4,000
[illegible] IN CENTRAL AMERICA	G [illegible]	[illegible]	[illegible]	2,000	2,000	2,000	---	---	1,500	---	700
TRAINING FOR [illegible]	G [illegible]	[illegible]	[illegible]	1,000	1,000	1,000	[illegible]	---	[illegible]	---	500
C.A. SHELTER AND URBAN DEVELOPMENT	* L [illegible]	[illegible]	[illegible]	---	10,000	---	---	---	---	8,000	2,000
TOTAL FOR ACCOUNT				[illegible]	1[illegible],400	70,1[illegible]	1,[illegible]	[illegible]	21,775	[illegible],500	35,150
GRANTS				[illegible]	1[illegible],400	70,1[illegible]	1,[illegible]	200	21,775	13,500	31,150
LOANS				---	[illegible]	---	---	---	---	1[illegible],000	4,000
TOTAL FOR COUNTRY				1[illegible]1,442	3[illegible],447	151,263	[illegible]	[illegible]	[illegible]	62,962	69,149
GRANTS				133,042	279,047	127,860	[illegible]	[illegible]	39,[illegible]	36,575	53,649
LOANS				26,400	106,400	23,4[illegible]	[illegible]	[illegible]	[illegible],000	26,387	15,500

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRAL AMERICAN REGIONAL

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 597-0000	[illegible]	C	---	---	---	---	1,114	1,114	500	---
DAIRY PRODUCTION [illegible]	G 597-0009	85	86	---	2,000	---	---	2,000	---	---	500
TOTAL FOR ACCOUNT				---	2,000	---	---	3,114	1,114	500	500
GRANTS				---	2,000	---	---	3,114	1,114	500	500
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	C	---	---	---	---	290	190	---	100
PRIVATE AND VOL ORGANIZATIONS - [illegible]	[illegible]	[illegible]	C	---	---	---	---	900	350	---	400
TOTAL FOR ACCOUNT				---	---	---	---	1,190	540	---	500
GRANTS				---	---	---	---	1,190	540	---	500
LOANS				---	---	---	---	---	---	---	---
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	C	---	---	---	---	304	245	90	110
REGIONAL CHILD SURVIVAL/IMMUNIZATION	[illegible]	[illegible]	87	---	6,100	---	---	1,100	750	1,041	1,100
TECH DEVELOPMENT/TRAINING IN HEALTH	[illegible]	[illegible]	[illegible]	---	1,500	---	---	1,500	400	---	500
ESSENTIAL DRUGS AND MALARIA	[illegible]	[illegible]	87	6,500	6,500	---	---	2,000	1,000	1,500	3,200
TOTAL FOR ACCOUNT				6,500	14,100	---	---	[illegible]	2,395	2,631	4,910
GRANTS				6,500	14,100	---	---	[illegible]	2,395	[illegible]	4,910
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	C	---	---	---	---	1,269	700	700	750

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRAL AMERICAN REGIONAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
CENTRAL AMERICA PEACE SHCOLARSHIPS		G	597-0001	85	90	100,000	100,000	27,552	4,461	10,000	19,500	27,500	20,500
REGIONAL TECH AIDS CENTER II		G	597-0007	86	87	---	4,000	---	---	800	200	1,000	750
FREE LABOR DEVELOPMENT (AIFLD)		G	597-0000	86	C	---	---	---	---	1,000	900	1,500	1,500
TOTAL FOR ACCOUNT						100,000	104,000	27,552	4,461	11,800	21,320	30,000	23,500
GRANTS						100,000	104,000	27,552	4,461	11,800	21,320	30,000	23,500
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
PROGRAM DEVELOPMENT AND SUPPORT		G	597-0000	85	C	---	---	---	---	634	450	500	450
TOTAL FOR ACCOUNT						---	---	---	---	634	450	500	450
GRANTS						---	---	---	---	634	450	500	450
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
PROGRAM DEVELOPMENT AND SUPPORT		G	597-0000	85	C	---	---	---	---	473	350	500	400
CENTRAL AMERICA PEACE SHCOLARSHIPS		G	597-0001	85	90	41,500	41,500	2,100	520	27,000	2,500	5,500	10,000
REG. ADMINISTRATION OF JUSTICE		G	597-0002	85	88	10,000	25,000	10,000	507	2,500	9,400	4,000	4,500
STRENGTHENING DEMOCRACY		G	597-0003	85	87	5,000	19,000	4,998	159	2,500	6,000	6,500	6,000
TRADE CREDIT INSURANCE PROGRAM		G	597-0004	85	87	---	85,000	10,000	---	19,000	---	25,000	---
CA RURAL ELECTRIFICATION SUPPORT	*	G	597-0012	87	87	---	5,000	---	---	---	---	5,000	---
TOTAL FOR ACCOUNT						56,500	175,500	27,098	1,186	51,473	18,250	46,500	20,900
GRANTS						56,500	175,500	27,098	1,186	51,473	18,250	46,500	20,900
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRAL AMERICAN REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY					163,000	295,680	54,648	5,674	80,269	44,070	81,038	50,660
GRANTS					163,000	295,680	54,648	5,674	80,269	44,070	81,038	50,660
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date

PROGRAM ROCAP

PLANNED PROGRAM SUMMARY SHEET

Title Fragile Lands Management		Funding Source DA	AG, RD & N 2,000	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 2,000	Life of Project Funding 10,000
Number 596-0140 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act	Initial Obligation FY 87	Estimated Final Obligation FY 90
						Estimated Completion Date of Project FY 91

Purpose: To contribute to sustained development in Central America and Panama through the establishment of a series of protected areas managed for the continued production of valuable natural resources.

Project Description: The Central American region is characterized by rapid rates of destruction of the natural resource base which supports food production, water quality, and forestry goods and services. Decision makers in the region are relatively unaware of these problems, or uninformed of viable solutions. This results in a lack of legal and organizational structures to assist with national management of these valuable natural resources.

The project will upgrade management capability in the region to identify, protect, and use economically important species of plants and animals found in fragile natural environments. The project will take immediate action to evaluate and reclassify important natural areas and prioritize actions directed at protection of these areas. Specifically, the project will fund a regional diagnostic of critical natural areas, which each country will use to design a natural protected area strategy. The strategies will focus on the most valuable areas by virtue of their biological resources and their importance to future agricultural, pharmaceutical, fisheries, and forestry production. Where necessary, demonstration areas will be developed with public and private groups to be managed using new fragile land management techniques.

The Project will fund country-specific environmental education and extension programs to involve the populations surrounding the national area reserves into activities of protection, production and management of the protected area and its economic resources. Informal and formal training in natural area planning and management and natural resource economics will be strengthened in national and regional institutions. The project will be implemented through international and national private organizations, the Tropical Agricultural Research and Training Center (CATIE), and national institutions responsible for land use classification and control.

Relationship of Project to A.I.D. Mission Strategy: The project responds to the NBCCA recommendation which urged measures to halt environmental degradation throughout Central America. The project is also responsive to A.I.D. policies concerning the adverse effects of deforestation of tropical forests.

Beneficiaries: The project beneficiaries are the public and private enterprises which rely upon a continuous flow of germplasm, goods, and services from the targeted natural resource areas. Intermediate beneficiaries are the personnel of national agencies that manage natural areas, who will be trained under the project.

Host Country and Other Donors: Very little work is being done in the area of fragile land management by either other donors or the individual governments of Central America.

Major Outputs:

A Critical National Areas Assessment
Four Natural Area Management Plans
Environmental (pilot) Education and Extension Program
Training Programs

A.I.D. Financed Inputs:	Life-of-Project ($000)
Technical Assistance	4,000
Training	1,000
Commodities	2,000
Operational Support	3,000
TOTAL	10,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30				CATIE and related national institutions
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year	2,000	8,000	10,000	

PROGRAM: ROCAP

PLANNED PROGRAM SUMMARY SHEET

Title Industrial Technology, Quality Control and Management	Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 3,000	Life of Project Funding 6,000	
Number 596-0128 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 3,000	Initial Obligation FY 1987	Estimated Final Obligation FY 1990	Estimated Completion Date of Project FY 1991

Purpose: To increase the productivity of industries in Central America and Panama through improved technology, quality control and management systems.

Project Description: The project will enable ICAITI to carry out a program of applied research, technical training and assistance related specifically to industry needs for improved technology and quality, and expanded production. ICAITI's evolving commercial applications for processing wood, fish, fruit, cacao, grains, ceramics, salt, bread, lime and other important products will be expanded, as will the process that has already begun that will transfer technology to national and industrial counterpart institutions and firms.

The project will expand ICAITI's outreach efforts to include a broad range of technical, production and quality control services, taking advantage of ICAITI's unique skills in analysis and testing of products. ICAITI's laboratories are equipped to perform quality control and certification testing on a broad range of products, including food, textiles, leather, rubber, paper and construction materials. This assistance will complement management systems assistance to be provided by such organizations as the International Executive Service Corps (IESC) and the Central American Business School (INCAE).

The project will finance: (1) technical assistance by ICAITI staff on technology improvements, production improvements, and quality control; (2) training of national and industrial counterparts in the management and implementation of these technologies; (3) continuing applied research by ICAITI on industrial uses of alternative technologies; and (4) assistance for strengthening the institutional capacity of ICAITI to employ management systems, train mid-level management training, and use an automated accounting system.

Relationship of Project to A.I.D. Strategy: The A.I.D. strategy recognizes that it is vital to help Central Americans increase productivity and exports. This project will address these concerns.

Host Country and Other Donors: ICAITI is expected to contribute approximately $1.3 million to the project. The IESC and INCAE will also provide training and technical assistance to project beneficiaries.

Beneficiaries: The direct beneficiaries are the individuals and the industries that receive training or technical assistance. Indirect beneficiaries are the current and future employees of these industries who hold or will obtain jobs because of increased productivity and management expertise.

Major Outputs:

Plants investing in product quality improvement
Technical manuals and materials
Seminars, Demonstrations, Courses and Workshops for training
On-site applications of new technology
Mid-level managers trained
Improved extension and dissemination activities
Improved accountability, control and administration in ICAITI

A.I.D. Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,800
Training	1,600
Applied Research	500
Institutional Strengthening	2,000
Commodities	100

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,000	3,000	6,000

Principal Contractors or Agencies

PROGRAM ROCAP

PLANNED PROGRAM SUMMARY SHEET

Title Central American Shelter and Urban Development Assistance	Funding Source L (ESF) C (DA)	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 8,000 (ESF) 1,000 (DA)		Life of Project Funding 10,000L(ESF), 3,300G(SDA)
Number 596-0143 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act. 1,000	Initial Obligation FY 87	Estimated Final Obligation FY 89	Estimated Completion Date of Project FY 90

Purpose: To provide affordable housing and such infrastructure services as clean water and sewage disposal to the Central American poor by strengthening the capability of the Central American Bank for Economic Integration (CABEI) to maintain a financial resource flow to national housing finance institutions and municipalities.

Project Description: The National Bipartisan Commission on Central America (NBCCA) report called for a major expansion in housing and labor intensive infrastructure projects, noting that housing and the development of urban services were critical needs, affecting as much as three-quarters of the population of Central America. The poor make up the bulk of this affected group.

Since its establishment in 1963, CABEI has provided $236.3 million to finance housing in the region, with A.I.D. Housing Guaranty (HG) assistance accounting for 48% of this amount. CABEI's ability to provide financial resources for shelter and related infrastructure is now limited. The economic and political problems in the region have caused the flow of external resources from the private sector to decline considerably during the past half dozen years while official development assistance in the sector has remained stagnant at best. CABEI's Housing Fund, through which housing programs are financed, is currently suffering financial problems, due to the relatively high cost of external funds on-lent for housing activities.

Additional assistance to the Housing Fund will enable CABEI to continue to serve as a regional mortgage discount facility. Furthermore, channeling A.I.D. funds to finance basic infrastructure activities will enable the institution to develop new capabilities to serve low income families.

The project is estimated to cost $103.3 million of which $30 million will be provided by ESF and $45 million in HG resources, $3.3 million in D.A. grant funds, and $25 million in CABEI capital and counterpart contributions. The funds will be used to finance $60 million in shelter projects, $40 million in basic infrastructure projects, and $3.3 million in technical assistance and training.

Relationship of the Project to A.I.D. Mission Strategy: As noted above, the project responds to specific NBCCA recommendations and the overall A.I.D. strategy to carry out the report's recommendations and improve equity in the region.

Beneficiaries: This project will benefit at least 46,000 poor Central American families. CABEI's Housing Fund will be strengthened and will be able to make a continued contribution in the future to solving the region's housing problems.

Host Country and Other Donors: In general, other donors do not finance housing and related infrastructure programs. Host country institutions have financed such investments in the past, but because of the region's overall economic crisis, all of the governments have financial austerity programs and very little funding is now being provided for housing activities.

Major Outputs:

Low Income Housing Units
Employment Generation
Effective CABEI Housing Fund
Improved Policy Environment for Housing Construction

A.I.D. Financed Inputs:	Life-of-Project ($000)
Financing of Mortgages	20,000
Financing of Water & Sewerage Services	10,000
Technical Assistance and Training	3,300
TOTAL	$33,300

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	9,000	24,300	33,300

Principal Contractors or Agencies

CABEI

PROGRAM CENTRAL AMERICAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Central American Rural Electrification Support		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 1987 5,000		Life of Project Funding 5,000
Number 597-0010 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel Act	Initial Obligation FY 1987	Estimated Final Obligation FY 1987	Estimated Completion Date of Project FY 1991

Purpose: To bring about 1) increased private sector involvement in power utilities, and 2) the development of more integrated and capable rural electrification planning and policy structures in the region.

Project Description: The majority (85%) of the rural residents in Central America are without electricity. The lack of affordable commercial electricity has contributed to many environmental, health and economic problems facing the rural sector in Central America. Watershed degradation as a result of deforestation to meet fuelwood needs is just one example of a situation aggravated by inadequate availability of electricity. There are no organizations in any of the countries with clear mandates to pursue rural electrification and as a result, there is little incentive for the power sectors to market electricity in rural areas or to become more efficient where electricity is already being distributed

The major activities of this project are aimed at addressing country-specific rural electrification needs while working in a regional context. These activities include: (1) encouraging the decentralization of rural electrification through greater participation of the private sector, including both investor- and consumer-owned and operated enterprises; (2) improving coordination of essential centralized functions between power companies or authorities which include national energy and rural electrification planning; (3) establishing a rural electrification division or agency within an existing regional Central American organization to provide relevant training and technical assistance in rural electrification; and 4) undertaking country-specific planning and programming activities in power generation and distribution targeted for the appropriate sectors and geographical regions.

The project may be implemented by the Central American Research Institute for Industry (ICAITI) which has worked extensively with A.I.D. to address energy conservation and efficiency.

Relationship of Project to A.I.D. Mission Strategy: This project responds directly to the recommendation of the National Bipartisan Commission on Central America that calls for the expansion of rural infrastructure and electrification systems. The relevant regional program goals include the improvement of agricultural and industrial productivity, management of natural resource and energy problems, and development and transfer of appropriate technology to meet rural energy needs. This project also responds to A.I.D.'s emphasis on assisting and expanding private sector involvement through investment and development of privately-owned energy cooperatives.

Beneficiaries: The prime beneficiaries of the project will be the agencies charged with the generation and distribution of power in rural areas, which should become more efficient as a result of greater private sector participation. Rural area residents will benefit over the longer term from the resultant increases in rural electrification supply and more cost-efficient distribution of power.

Host Country and Other Donors: The host countries will provide in-kind support by paying the salaries of officials participating in this project. The Inter-American Development Bank is currently financing major power generation projects in Guatemala and Honduras, which should be prime suppliers of electricity for future rural electrification projects.

Major Outputs	All Years
Private sector participation in national power companies/authorities increased	X
Technicians/administrators trained	X
National rural electrification policies developed/improved	X
Regional energy entity established	X

A.I.D. Financed Inputs	Life-of-Project ($000)
Training	800
Technical Assistance	3,500
Computers	500
Evaluation & Review	200
Total	5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000		5,000

Principal Contractors or Agencies

Central American Research Institute for Industry (ICAITI)

National Rural Electric Cooperative Association (NRECA)

OVERVIEW OF
CARIBBEAN ACTIVITIES

CARIBBEAN

PROGRAM SUMMARY

(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	93,699	23,120	–	–	2,004	3,575	65,000	–
Grants	234,295	29,378	7,533	10,312	18,481	18,380	147,128	3,083
Total	327,994	52,498	7,533	10,312	20,485	21,955	212,128	3,083 1/
1986								
Loans	15,240	7,540	–	–	–	3,700	4,000	–
Grants	207,493	24,906	8,318	8,951	17,572	21,969	123,377	2,400
Total	222,733	32,446	8,318	8,951	17,572	25,669	127,377	2,400 2/
1987								
Loans	28,500	11,000	–	–	–	10,000	7,500	–
Grants	271,248	34,600	6,890	9,950	17,700	19,608	182,500	–
Total	299,748	45,600	6,890	9,950	17,700	29,608	190,000	

1/ Includes $3,000,000 from Child Survival Fund, and $83,000 of Disaster Assistance.

2/ Child Survival Fund

FY 1987
PROGRAM HIGHLIGHTS

- A.I.D. will continue to support (1) economic stabilization and recovery in the Caribbean Basin countries; (2) exports through the Caribbean Basin Initiative, (3) efforts to increase agricultural production, and improvements in social services.

- For FY 1987, $190 million of Economic Support Funds, $109.7 million of Development Assistance, $78 million of P.L. Title I, and $8.7 million of P.L. 480 Title II is proposed for the Caribbean countries.

THE CARIBBEAN

Overview

A.I.D. proposes to continue assistance programs in the Dominican Republic, Haiti, Jamaica, and the Caribbean Regional program in Antigua, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines. All of these countries are democracies, except for Haiti which is the poorest country in the Western Hemisphere. The United States has strong interests in promoting stability, the strengthening of democratic processes, and the respect for human rights throughout the Caribbean. This can best be achieved under conditions of sustainable economic growth and social development broadly benefitting the peoples of the area.

The countries of the region continue to have serious unemployment problems and need to make major structural adjustments to achieve sustained economic growth. The Caribbean is still adjusting to weak demand for many of its traditional exports and the reduction in intra-regional trade. Since all Caribbean markets are small, economic growth will depend on increasing export earnings, particularly to markets outside the region.

The United States has sought to promote the region's development through incentives for investment and exports under the Caribbean Basin Initiative (CBI). The CBI offers improved access to U.S. markets through duty-free entry of nearly all commodities, and is potentially a key factor for economic growth. During the first two years of operations of the CBI trade provisions, trade trends show both encouraging and discouraging aspects. Nontraditional exports -- the principal focus of the CBI -- have increased significantly, with both Jamaica and the Dominican Republic showing increases of more than 50 percent. Because of unfavorable developments in commodity markets, particularly for bauxite and sugar, exports of traditional products have declined significantly.

Over the five-year period 1980-1984 there was modest economic growth in all Caribbean countries in which A.I.D. has programs except Haiti and Jamaica. Preliminary estimates indicate, however, that the rate of growth in 1985 may have declined for every country except Grenada. The most significant declines were in the larger countries such as Jamaica and the Dominican Republic, which have experienced severe balance-of-payments problems and high debt service. Jamaica has the highest ratio of debt to gross domestic product (215%) in the Caribbean. The challenge facing Caribbean governments is to expand exports, particularly of non-traditional products, through encouraging private sector activity.

A.I.D.'s strategy is to encourage economic adjustment while moderating the negative impact of such adjustment, particularly on the poorest groups. Over the medium and long-term, prospects for sustained increases in economic growth and employment depend on measures to encourage capital inflows, establish suitable environments for private investment in agricultural diversification, non-traditional export activities, and tourism, and improve the capacity of the private sector to lead the way in the growth process.

A.I.D.'s program supports opportunities available under the CBI. Policy dialogues are underway and projects are in place throughout the region to help attract foreign and domestic investment, facilitate non-traditional exports, diversify agriculture into non-traditional crops, and provide training in the skills needed for new export activities. Considerable progress has been made in policy reform over the past two years. In several countries -- notably Jamaica and the Dominican Republic -- exchange rate adjustments have increased incentives for exports. In most countries, fiscal deficits have been reduced through better control of government spending. In Jamaica and Grenada, important steps toward reform of the taxation system have been made.

A.I.D.'s specific goals vary from country to country given the diversity within the Caribbean, but overall, A.I.D.'s focus will be to:

-- provide balance-of-payments support and technical assistance in policy reforms for economic stabilization and sustained improvements in macro-economic performance;

-- stimulate private sector development and investment especially in agricultural diversification and other non-traditional export activities;

-- finance a substantial increase in training, with emphasis on increasing the number of Caribbean people trained in the United States;

-- improve social services, including health delivery systems and family planning services; and

-- strengthen democratic processes and respect for human rights.

In support of these challenging objectives shared by the democratic countries in the Caribbean, we are requesting $190 million in FY 1987 Economic Support Fund (ESF) resources, Development Assistance (DA) of $109.7 million, and P.L. 480 funding of $86.7 million. In the Dominican Republic and Jamaica, ESF will provide balance-of-payments assistance in support of continuing economic policy reforms. In Haiti, ESF will support, as permitted, the development activities of non-governmental organizations. In the smaller countries of the Eastern Caribbean, the emphasis will be on continued development of productive infrastructure and adjustment measures. DA projects will concentrate on private sector activities in agricultural diversification, development of small industries, improvment of social services, and training. In FY 1986, A.I.D. will expand training programs in the Caribbean with emphasis on training in the United States. This initiative will be continued and expanded in FY 1987.

DOMINICAN REPUBLIC

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COUNTRY:  (517) DOMINICAN REPUBLIC                        FY 87 CP ECONOMIC AND SOCIAL DATA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)        6,460

PER CAPITA GNP........... (DOLLARS,1984)         990

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  3.9%

ANNUAL RATE OF INFLATION (1973-83)  8.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION. (1976)   6.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                      (1985)   TOTAL 63.7  MALE 61.8  FEMALE 65.6
                      (1970)   TOTAL 56.6  MALE 54.8  FEMALE 58.5

ADULT LITERACY RATE  (1981)   TOTAL  72%  MALE  73%  FEMALE  72%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)  -0.6%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    17%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       164


MAJOR CROP(S)
                                               ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,BEANS-DRY ,ROOTS AND TUBERS     26%   (1984)
  CASH: SUGARCANE ,COFFEE ,COCOA BEANS               47%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,COFFEE ,TOBACCO

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,EDIBLE OIL

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    45%
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*CENTRAL GOVERNMENT FINANCES*
----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1982)        518 (83)        567 (84)         394
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1982)        666 (83)        701 (84)         460
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1982)       -149 (83)       -134 (84)         -66
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1982) 10.4% (83)  8.8% (84) 12.8%
  AS % OF GNP.................. (1982)  1.3% (83)  1.2% (84)  1.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   173 (83)   203 (84)   261
  EQUIVALENT TO  2.5 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)SUGAR          ,GOLD ALLOY     ,FERRONICKEL

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  437  (1983)  541  (1984)  970
   AS % OF TOTAL EXPORTS (1981)   62% (1982)   50% (1983)  64%

MAJOR IMPORTS(1983)FOODSTUFFS     ,PETROLEUM      ,IND RAW MATERIA

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  535  (1983)  505  (1984)  710
   AS % OF TOTAL IMPORTS (1980)   60% (1981)   54% (1982)  47%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -490(83)    -497(84)  -381

TRADING PARTNERS: UNITED STATES ,VENEZUELA ,JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1984)    31.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1984)   313
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)..... (1984)  35.9%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE....(1970)   2.9% (1978)   2.7% (1985)  2.6%

POPULATION IN URBAN AREAS.............(1970)    40%   (1985)   56%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    36    (1985)    34

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION    (1983)  45.8%

POPULATION (1985) IN AGE GROUP
                   (0-14YRS) 41.0% (15-64YRS) 56.2% (65+ YRS)  2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  74

PEOPLE PER PHYSICIAN.................... (1976)  4,211

MAJOR CAUSES OF
DISEASE (1982) ACUTE RESP. INFE,PARASITIC DISEAS,UNKNOWN AILMENTS
DEATH.. (1982) ENTERIC DISEASE ,PERINATAL DIS.  ,PNEUMONIA

PER CAPÍTA CALORIE SUPPLY AS A % OF REQUIREMENTS.    (1977)    95%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  59%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1981)  TOTAL  63.8   MALE  62.3    FEMALE  65.6
SECONDARY........ (1981)  TOTAL  73.8   MALE  73.0    FEMALE  74.8
POST SECONDARY... (1981)  TOTAL  44.8   MALE  45.3    FEMALE  45.2

ENERGY PRODUCTION AS % OF CONSUMPTION..............(1983)     3.1%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY DOMINICAN REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	55.8	38.5	82.4	63.1	98.2	929.3	173.7	755.6
Loans	33.7	29.0	72.5	52.4	85.3	587.3	173.7	413.6
Grants	22.1	9.5	9.9	10.7	12.9	342.0	-	342.0
a. A.I.D. and Predecessor Agencies	34.6	17.4	60.0	34.6	64.4	590.6	105.0	485.6
Loans	18.7	14.8	56.3	29.4	56.8	405.7	105.0	300.7
Grants	15.9	2.6	3.7	5.2	7.6	184.9	-	184.9
(Economic Support Fund)	-	-	41.0	8.0	34.0	292.2		
b. Food for Peace (PL 480)	19.7	18.6	19.3	25.3	31.3	301.4	59.7	241.7
Loans	15.0	14.2	16.2	23.0	28.5	173.2	59.7	113.5
Grants	4.7	4.4	3.1	2.3	2.8	128.2	-	128.2
Title I – Total Sales Agreements	15.0	14.2	16.2	23.0	28.5	173.2	59.7	113.5
Repayable in U.S. Dollars – Loans	15.0	14.2	16.2	23.0	28.5	173.2	59.7	113.5
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	4.7	4.4	3.1	2.3	2.8	128.2	-	128.2
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	-	-	-	7.4	-	7.4
Voluntary Relief Agencies	4.5	4.4	3.1	2.3	2.8	120.8	-	120.8
c. Other Economic Assistance	1.5	2.5	3.1	3.2	2.5	37.3	9.0	28.3
Loans	-	-	-	-	-	8.4	9.0	0.6-
Grants	1.5	2.5	3.1	3.2	2.5	28.9	-	28.9
Peace Corps	1.4	1.9	2.8	2.1	2.3	24.8	-	24.8
Narcotics	-	-	-	-	-	-	-	-
Other	0.1	0.6	0.3	1.1	0.2	4.1	-	4.1
II. MILITARY ASSISTANCE – TOTAL	3.5	3.4	5.5	6.6	6.4	68.2	7.5	60.7
Credits or Loans	3.2	3.0	4.0	5.0	2.5	20.7	7.5	13.1
Grants	0.3	0.4	1.5	1.6	3.9	47.5	-	47.5
a. MAP Grants	-	-	1.0	1.0	3.2	26.8	-	26.8
b. Credit Financing – FMS	3.2	3.0	4.0	5.0	2.5	20.7	7.5	13.1
c. Military Assistance Service Funded (MASF) Grants	0.3	0.4	0.5	0.6	0.7	13.0	-	13.0
d. Transfers from Excess Stocks	-	-	-	-	-	3.9	-	3.9
e. Other Grants	-	-	-	-	-	3.8	-	3.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	59.3	41.9	87.9	69.7	104.6	997.5	181.2	816.2
Loans	36.9	32.0	76.5	57.4	87.8	608.0	181.2	426.7
Grants	22.4	9.9	11.4	12.3	16.8	389.5	-	389.5
Other U.S. Government Loans and Grants	10.8	1.2	-	-	-	173.0	166.0	7.0
a. Export-Import Bank Loans	3.7	1.2	-	-	-	137.1	115.8	21.3
b. All Other Loans	7.1	-	-	-	-	35.9	50.2	14.3-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	168.4	119.2	192.8	1272.0
IBRD	7.1	3.8	5.8	302.1
IFC	10.5	0.0	0.0	26.1
IDA	0.0	0.0	0.0	22.0
IDB	150.0	113.7	187.0	888.8
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.8	0.3	0.0	25.9
OTHER-UN	0.0	1.4	0.0	7.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	83.0	46.0	266.0
Germany,Fed. Rep.	6.1	10.3	38.8
Japan	4.4	3.3	18.9
Netherlands	2.0	1.9	11.6
Canada	1.3	1.7	7.0
Other	2.7	3.2	17.9
Total	99.5	66.4	360.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
5.2	N.A.	7.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

DOMINICAN REPUBLIC

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	13,946	12,370	-	-	1,036	540	-	-
Grants	111,132	4,640	263	1,448	6,402	3,379	95,000	-
Total	125,078	17,010	263	1,448	7,438	3,919	95,000	
1986								
Loans	11,240	7,540	-	-	-	3,700	-	-
Grants	53,260	1,560	2,450	1,300	4,531	3,419	40,000	-
Total	64,500	9,100	2,450	1,300	4,531	7,119	40,000	
1987								
Loans	16,000	11,000	-	-	-	5,000	-	-
Grants	62,658	4,000	1,650	3,200	1,100	2,708	50,000	-
Total	78,658	15,000	1,650	3,200	1,100	7,708	50,000	

FY 1987
PROGRAM HIGHLIGHTS

- Continued support for economic stabilization, agricultural diversification, and export growth ($50 million in Economic Support Funds and $30 million in P.L. Title I commondities).
- Policy dialogue will continue to emphasize reforms to stimulate the growth of the private sector.
- Development Assistance will finance private sector activities in agricultural diversification, development of light industries, expansion of family planning services, self-financing health care, and training for mid-level entrepreneurs ($29.7 million).

DOMINICAN REPUBLIC

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	9,024	28,096	24,807
Grants	101,136	48,928	63,600
Total AID	110,160	77,024	88,407
P.L. 480 **			
Title I	40,500	30,000	30,000
(of which Title III is)	(-)	(-)	(-)
Title II	1,907	1,048	1,602
Total P.L. 480	42,407	31,048	31,602
Total AID and P.L. 480	152,567	108,072	120,009

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	93,000	13,000	72,000	10,000	93,000	12,000
Rice	22,000	7,000	32,000	10,000	-	-
Feedgrains	-	-	-	-	85,000	9,000
Vegoil	35,000	20,500	10,000	10,000	17,000	9,000
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	150,000	40,500	114,000	30,000	195,000	30,000
Title II 1/						
Voluntary Agencies	7,749	1,907	5,866	1,048	7,531	1,602
Government - to - Government	-	-	-	-	-	-
Title II Total	7,749	1,907	5,866	1,048	7,531	1,602
Total P.L. 480	157,749	42,407	119,866	31,048	202,531	31,602

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	20	19	19
PASA[b]	1.0	1.5	2.0
TOTAL	21	20.5	21

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	87	116	109	163	272	80	165	245
Regional[e]	7	12	19	-	-		-	-	
TOTAL	36	99	135	109	163	272	80	165	245

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	4	37	41	20	50	70	10	30	40
Regional[e]	-	-		-	-		-	-	
TOTAL	4	37	41	20	50	70	10	30	40

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

DOMINICAN REPUBLIC

Development Overview

The Dominican Republic, with a per capita gross domestic product (GDP) of $770 in 1985 (at the current free market rate of exchange), is still in the midst of a severe economic crisis. However, the Government of the Dominican Republic (GODR) is implementing a difficult economic adjustment program that should provide the foundation for future dynamic broadly-based growth. Although A.I.D. assistance has been instrumental in encouraging the GODR to adopt several important economic policy reforms, additional resources will be required to help the country consolidate progress made under its economic recovery program and reorient its productive base toward a more diversified, export-led economy.

The current economic crisis reflects the following basic structural problems: (1) heavy dependence on a few primary exports with widely fluctuating world prices; (2) predominance of inefficient, capital-intensive domestic industries which enjoy substantial tariff protection but provide insufficient new jobs for the expanding workforce; (3) failure of agricultural production to achieve its potential because of price disincentives, inefficiently managed public lands, inadequate infrastructure, and inadequate support for small farmers who produce primarily for the domestic market; (4) inadequate policy incentives for the promotion of non-traditional exports; (5) shortage of trained managers and technicians to direct the country's development efforts; and (6) inadequate resources for financing public sector social programs.

In an effort to stabilize the Dominican economy and create an environment within which sustained non-inflationary growth could take place, in January 1985 the GODR concluded a process of selective devaluations by unifying the system of administered exchange rates to a single freely determined market rate. The GODR took measures to pass the higher local currency cost of major imports on to consumers, e.g., through price increases of petroleum products and electricity tariffs. At the same time, it restrained public sector wage increases within the limit of available resources, froze public sector credits from the banking system, severely limited growth in the money supply, reduced some public subsidies, and liberalized interest rates to encourage domestic savings and improve resource allocation. The GODR also succeeded in rescheduling a significant amount of external debt obligations with the Paris Club and international commercial banks.

As a result, some measure of financial stability has been restored. The rate of inflation has fallen. The free market exchange rate has stabilized at about RD$3.00 to US$1.00. (The previous official controlled rate had been one to one.) Public sector deficits have been kept under control. Nevertheless, the immediate cost of achieving this stability has been high, resulting in lower production levels, zero growth in the GDP, and a worsening unemployment situation. However, the economic recession appears to have bottomed out, and the process of economic recovery can now begin.

Although substantial progress has been achieved in the area of financial stabilization, further progress on price and subsidy adjustments, diversified export expansion, and improved efficiency and/or privatization of public sector enterprises is needed. Additional measures to increase government land available to private investors are also needed, along with reductions in export restrictions and taxes. A.I.D. will continue to encourage further such reform measures in discussions with the GODR. Through use of Development Assistance (DA), Economic Support Fund (ESF), and P.L. 480 Title I programs, A.I.D. will promote private investment and export expansion, agricultural diversification, and the development of related supporting organizational and physical infrastructure to facilitate achievement of these objectives.

U.S. Interests and Objectives

The Dominican Republic's size and location underscore the country's importance to U.S. Caribbean regional interests. As a functioning democracy in which human rights are respected, the Dominican Republic shares common ideals with the United States. The GODR consistently has supported the United States on key issues in international fora. The U.S. national interest is promoted and supported by a democratic Dominican Republic with an open, growing economy and continuing positive relations with the United States. Of equal importance is successful management by the Dominican Republic of its immediate financial crisis, the continued implementation of an economic adjustment program leading to recovery and self-sustaining growth, an expansion of the private sector's role in development, and an improved investment and trade climate.

The Dominican Republic is a leading importer of U.S. goods in the Caribbean, and a growing exporter. Total U.S. private investment in the country is estimated at more than $500 million. The Dominican Republic has been designated as a beneficiary country under the Caribbean Basin Initiative (CBI).

Strong cultural and educational ties link the two countries. Thousands of Dominicans have studied in the United States and continue to maintain professional contacts with U.S. institutions. A major element of U.S.-Dominican relations relates to Dominican migration to the United States. An estimated 850,000 - 1,000,000 Dominicans now reside in the United States. Remittances from relatives in the United States are significant, estimated at between $200-$300 million annually.

A.I.D. Development Strategy

A.I.D.'s program strategy and policy dialogue with the GODR are directed toward achieving financial stability in the short term and economic recovery over the longer term including: (1) private sector investment and increased exports of non-traditional products, (2) agricultural diversification, and (3) development of supporting institutional, physical, and social infrastructure.

A.I.D. is directly helping achieve financial stabilization by providing ESF balance-of-payments support through the Private Enterprise Sector Development project (517-0171) and the PL 480 Title I program. Provision of these resources is linked to specific policy changes which the GODR agrees to carry out to further its adjustment efforts. Local currency resources associated with the ESF and PL 480 programs finance activities that directly support this strategy.

Two Development Assistance funded activities are planned and a third is under way that are aimed at addressing the causes of the current economic crisis. The Policy Analysis project (517-0188) will help establish an analytical unit directly responsible to the GODR's highest level economic leadership, with the capability to carry out short-term analyses and assess the potential impact of policy alternatives necessary for informed decision-making. The Dominican Electricity Corporation (CDE) Revenue Collection project (517-0218) will assist CDE to recover a greater percentage of its costs of energy generation and distribution, thereby reducing its dependency on GODR subsidies. The analytical framework for addressing policy and institutional constraints inhibiting growth in the agricultural sector and developing policy options to overcome them is being addressed through the ongoing Agricultural Policy Analysis project (517-0156).

With respect to our longer range objectives, in the area of investment and export promotion, A.I.D. is reinforcing the GODR's decision to expand non-traditional exports by providing credit and technical assistance to agribusinesses which export fresh and processed commodities to foreign markets and to industries which respond to domestic demands. A.I.D. is also expanding its assistance in the development of free trade zones which provide significant employment opportunities, particularly in poor urban areas, leading to increased domestic demand for many locally produced foods and industrial products. This, in turn, stimulates the creation and expansion of small and micro-enterprises. In addition A.I.D. is promoting light industry outside the free trade zones to increase exports and produce semi-finished goods for use in free zones and agribusiness enterprises.

A.I.D.'s related strategy for agricultural diversification is directed at reducing the GODR's dependence on traditional crops and increasing non-traditional agricultural production. To accomplish this, A.I.D. is assisting in the development of a commercial farm sub-sector capable of producing higher value crops for export, (now consisting of many small farms units producing low-value crops) and is focusing efforts on the development of private farm associations which can deliver services to members and mobilize bargaining forces to deal more effectively with large agribusiness companies. A.I.D. also seeks to reorient applied research to give greater attention to non-traditional crops and plans to expand training programs for farm supervisors and managers on improved practices and new technologies.

In order for priority development initiatives outlined above to be realized, the continued maintenance and expansion of the country's supporting infrastructure -- human, physical, and social -- are essential. A.I.D. is supporting maintenance and rehabilitation of rural access roads through the

Rural Roads Maintenance II project (517-0177); conservation and more efficient generation of electrical energy through the Energy Conservation and Resources Development project (517-0144); and upgrading of administrative, managerial, and technical skills of private and public sector personnel, including those involved in tourism, through the Graduate Management Training project (517-0157).

A.I.D. Program (FY 1985 and FY 1986)

A. Economic Support Fund. A principal objective of ESF assistance in the Dominican Republic is to provide balance-of-payments support while the GODR is undertaking difficult adjustment measures to solve external and internal financial imbalances. From September 1982 through September 30, 1985, $83 million in loans and $95 million in grants have been provided to the GODR through the Private Enterprise Sector Development project (517-0171). An additional $40 million was provided early in FY 1986. These resources have enabled the GODR to carry out crucial economic reforms, such as unification of the exchange rate in early 1985, and ameliorate the impact of required adjustment on critical imports and the standard of living of lower- and middle-income households. This assistance will also help support future policy changes, such as the elimination of export restrictions, the removal of price controls on a number of domestically produced food commodities, and the lease of state sugar lands to private producers of non-traditional crops which will facilitate implementation of an export-oriented growth strategy.

The local currencies required under ESF programs are jointly programmed by A.I.D. and the GODR to finance the development and expansion of free trade zones, provide working capital and longer term credit for agro-industries, and support trade and investment promotion programs. These resources also finance infrastructure needed for growth, including rural access roads and irrigation systems, the rehabilitation of port and electrical generation facilities and support for the development efforts of Dominican and U.S. private and voluntary organizations (PVOs).

B. Development Assistance

1. Agriculture, Rural Development, and Nutrition. In FY 1985, agriculture represented almost 57% of the total DA program and will make up about 37% of the DA program in FY 1986. The $19.8 million Agri-business Promotion project (517-0186) is a key element in A.I.D.'s effort to stimulate rapid growth in export of non-traditional agro-industrial products. This project will establish streamlined procedures for channelling credit through development and commercial banks to private borrowers at market rates of interest and provide a practical, efficient model for increasing private sector access to available credit resources.

Other ongoing projects in the agricultural sector include the Rural Roads Maintenance project II (517-0177), which has upgraded 180 miles of farm to market roads to improve the transportation of goods to foreign and domestic markets and agricultural inputs to the farmers. The Forestry Management project (517-0173) has been refocused on commercial tree farming and timber harvesting and will bring private companies into logging operations on public lands included in forest management plans. A locally financed credit fund will support these efforts.

The Rural Savings Mobilization project (517-0179) has exceeded initial expectations. Twenty-three branches of the Agricultural Bank are now in operation, with over $2 million in savings. The success of the pilot effort has encouraged A.I.D. to promote replication of the model to increase savings within private banking institutions. A.I.D. provided an additional $450,000 in FY 1985 for further technical assistance and research to support this effort.

The Rural Development Management project (517-0125) is being amended to establish training programs for private farm managers using case studies prepared by Dominican instructors at the Superior Institute for Agriculture. Greater independence from GODR financing will also be secured by the institute through user charges. A.I.D. will provide $500,000 in FY 1986 to complete this activity.

Program Development and Support funds (517-0000) finance project development analyses, studies, and evaluations of projects and Food-for-Work activities under the Section 416 program.

2. Population Planning and Health. Health and population activities received about 6% of the DA program in FY 1985, and will account for 15% in FY 1986. In FY 1985, the GODR National Council for Population and Family (CONAPOFA) began a pilot project with a $115,000 grant to test different ways to expand family planning services to the crowded urban areas of Santo Domingo. The results of this effort will be incorporated into the FY 1986 Family Planning Services project (517-0229), designed to meet the increasing demand for both urban and rural family planning services. Building upon the existing delivery capabilities, new services will be provided through the Secretariat of Public Health under the supervision of CONAPOFA and through private sector organizations, such as the National Association for the Well-Being of the Family (PROFAMILIA). Other activities include training of key counterpart staff in the United States, a survey to identify the number of women who currently do not have access to family planning information services, and a conference on techniques for self-financing and cost recovery for services.

Because the GODR cannot sustain the current level of public social services, A.I.D.'s strategy will emphasize activities that will not add to the public sector's recurring cost burden. In line with this strategy, the Health Systems Management loan (517-0153) was deobligated in FY 1985, and the grant portion reduced to $1.5 million. Now the project's more limited focus aims at improving management systems of the Health Secretariat and establishing a surveillance program for dengue and yellow fevers. Under the Rural Water project (571-0232), a field support grant has been made to the Cooperative for American Relief Everywhere (CARE) to assist in providing potable water and sanitation to some 50-70 communities in the southwest of the country.

Malaria has reached serious levels along the north coast, an area frequented by tourists who provide over 40% of the country's foreign exchange earnings. A serious outbreak of malaria could threaten this vital industry. To help provide a safer and healthier environment, in FY 1986 A.I.D. plans a Vector Control project (517-0235) to reduce the spread of this disease. The project will investigate ecologically sound methods to control mosquitoes, and National Malaria Eradication Service personnel will be trained in vector control techniques for application in affected areas.

Program Development and Support project (517-0000) funds have financed technical assistance for the local production and installation of some 750 water pumps in addition to project preparation analyses, special studies, audits of the PL 480 Title II and Section 416 programs, and related training activities.

3. Education and Human Resources. This sector received 25% of total DA resources in FY 1985. About 18% of total DA resources are planned for Education and Human Resources in FY 1986. Based on an evaluation recommendation that additional training be provided to small entrepreneurs and managers, a supplemental grant of $400,000 was provided for the ongoing Human Resources Development project (517-0127) in FY 1985. To enhance foreign exchange earnings a hotel management and tourism development component is being included under the ongoing Graduate Management Training project (517-0157) with the Catholic University. Two new activities are to be initiated in FY 1986 to improve the country's capacity to analyze and plan its economic policies and to provide a trained cadre of economic analysts and business managers. A planned Policy Analysis project (517-0188) will establish an analytical unit within the Technical Secretariat of the Presidency with direct responsibility to Dominican cabinet members dealing with economic concerns. The unit will carry out short-term analysis and assess the potential impact of policy alternatives necessary for informed decision-making. Second, a planned Development Training project (517-0216) will provide training opportunities to mid-level private and public sector managers and technical personnel. The project's English language component will provide pre-departure instruction to Dominican participants.

4. Selected Development Activities. About 13% of the DA program in FY 1985 was from the SDA account, and about 29% of DA resources in FY 1986 will come from this account. SDA funds support A.I.D.'s efforts to expand non-traditional exports, conserve energy, and assist community self-help activities.

An evaluation of the ongoing Energy Conservation and Resources Development project (517-0144) concluded that the project was achieving its objectives and that significant energy savings had been obtained. To further institutionalize the project, A.I.D. amended the agreement to continue technical assistance in four major areas: (a) Industrial Energy Conservation, (b) Wood Fuels, (c) Energy Planning, and (d) a Mini-Hydro Program. The Microbusiness Development project (517-0208) has proven to be a model for low-cost employment creation by very small urban enterprises and its implementation will continue. The recently initiated Export and Investment Promotion project

(517-0190) is a key element in A.I.D.'s efforts to increase non-traditional exports and to attract foreign investment to the Dominican Republic. This project, which provides $6 million for export and investment promotion activities with the Dominican Investment Promotion Council (IPC), has three objectives: to analyze and recommend policy changes needed to improve the business climate, provide services to new investors in the Dominican Republic, and facilitate a rapid growth in Dominican exports. The project supports the efforts of a number of institutions involved in trade and investment, including the Chicago Association of Commerce and Industry, the Dominican Export Association, the Center for Export Promotion, and the Customs Office.

The Special Development Activities project (517-0050) provides support to numerous small community productive projects, most under the supervision of Peace Corps volunteers. Program Development and Support funds (517-0000) have financed a series of project development studies and analyses, as well as the participation of Dominicans in the 1985 World Conference on the United Nations Decade for Women and other seminars.

C. P.L. 480 Program. The FY 1985 P.L. 480 Title I program of $40.5 million financed the import of edible oil, wheat, and rice, commodities which are not produced in sufficient quantities in the Dominican Republic. Some $30 million is proposed for FY 1986. Policy dialogue associated with this program has encouraged the GODR to permit an expanded private sector role in the importation and distribution of food staples, and a corresponding reduction in the role of a government monopoly. Further, Title I conditionality is used to remove producer price controls for certain commodities, and to reduce GODR consumer subsidies. Title I local currency generations were jointly programmed by A.I.D. and the GODR's Technical Secretary to the President to finance jointly agreed upon development activities. These resources finance working capital under streamlined private banking credit arrangements; support diversification efforts through seed certification and private sector oriented research activities; and help expand the country's infrastructure of rural roads, energy generation, and irrigation systems.

A P.L. 480 Title II Program has been implemented by three PVOS: The Church World Services (CWS), Catholic Relief Services (CRS), and CARE. Following a 1985 internal evaluation, CWS phased out of the program; the CRS program continues to provide food for work for community improvement activities and some maternal child health care services to some 62,000 beneficiaries; and CARE feeds some 116,000 recipients through its programs of Maternal and Child Care and Pre-School Feeding.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to the Dominican Republic in 1985 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1985 to participants from the Dominican Republic in the fields of agriculture, business, economics, education, financial management, health, and planning.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to the Dominican Republic are as follows:

Types of Goods	Value
U.S. Industrial Inputs	$10.0 million
U.S. Capital Goods	$10.0 million
U.S. Agricultural Inputs	$10.0 million
U.S. Spare Parts	$ 4.0 million
Total	$34.0 million

C. Local currency associated with A.I.D. assistance to the Dominican Republic was allocated by A.I.D. and the Government of the Dominican Republic for the following uses in FY 1985. (There was a total of $39.5 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $133 million was added during FY 1985.)

Infrastructure	$32.0 million
Agricultural credit	$20.3 million
Investment and export promotion	$19.7 million
Trust fund, and currency use payment	$17.0 million
Agricultural diversification	$ 2.0 million
Total	$91.0 million

D. Reprogramming of funds for the Dominican Republic during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

($ 000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1985 Obligations	122,000	11,000	650	3,951	-	7,419	3,880	95,000
- Actual FY 1985 Obligations	125,078	17,010	263	1,448	-	7,438	3,919	95,000

E. Funds and Programs provided to the Dominican Republic in FY 1985 through non-governmental as contrasted to governmental channels:

	Non-governmental	Government of the Dominican Republic
DA	$20.711 million (70%)	$ 9.340 million (30%)
ESF	-0-	$95.000 million (100%)
P.L. 480 Title I	-0-	$40.500 million (100%)
P.L. 480 Title II	$ 1.681 million (100%)	-0-
Total	$22.392 million (13%)	$144.840 million (87%)

Requested Year Program (FY 1987)

The requested FY 1987 program of $50 million of ESF, $28.7 million of DA, and $31.6 million of P.L. 480 will continue to assist the GODR to implement needed structural reforms, as well as to continue export expansion and investment promotion efforts by the private sector. Resources will also support continuing efforts to diversify agriculture and develop needed supporting infrastructure.

A. Economic Support Fund

Some $50 million is requested for balance-of-payments support to overcome remaining economic structural imbalances and to continue the export-led growth program. A.I.D.'s overall policy goal is to reduce governmental impediments to exports so as to create a climate conducive to foreign exchange earning activities, investments in labor-intensive industries and encouragement of agricultural diversification into non-traditional crops. ESF resources will enable the GODR to finance critical imports of raw materials and equipment, while the local currency generated by the program will finance investments in foreign exchange earning activities. In addition to the GODR's continued commitment to important economic adjustments already taken, the GODR is expected to take further measures to reduce government controlled prices for food commodities, lower export taxes, increase the amount of public land leased to private producers for non-traditional crops, continue to reduce export restrictions, and further expand the role of private companies in the domestic marketing and distribution of food commodities.

B. Development Assistance

A.I.D. is streamlining its portfolio by reducing the overall number of discrete management units to be more consistent with a focused strategy. In FY 1985 A.I.D. financed 14 separate projects (excluding Program Development and Support), but in FY 1987 A.I.D. proposes to finance only nine projects, of which four are new starts.

1. Agriculture, Rural Development, and Nutrition. $15 million is requested, including $1.7 million to start the Agriculture Research and Technology Transfer project (517-0180), under the recently created Agricultural Research Institute. Applied research will now give greater attention to non-traditional crops, and the private sector will play an increased role in public sector research efforts, both in determining areas of concentration and in payment for services received. Also, $13 million will be used to initiate a Commercial Farming System project (517-0214) to address the problems of irrigation and related infrastructure which impede expanded commercial investment and hinder production. Technical assistance and other inputs will be provided to small farmers on irrigated land to assist them in shifting from subsistence to non-traditional commercial farming. Investment will be attracted by improving water delivery and management, providing assistance to farmer associations in order to expand production, strengthening farmers' relationships with input suppliers and processing and marketing firms and developing a network of local collection and storage facilities. The GODR

has invested heavily in irrigation and related infrastructure. Many systems have deteriorated and need improvement and more efficient water management. $350,000 in Program Development and Support (517-0000) funds will be used for small farmers/agribusiness studies, evaluations, and project development.

2. Population Planning and Health. In Population Planning, $1,650,000 is requested, of which $1,425,000 is to incrementally fund the Family Planning Services project (517-0229) to provide family planning services in densely populated urban areas, and $225,000 in Program Development and Support (517-0000) funds for design and evaluation activities. In health, $3.2 million is requested, including $500,000 to incrementally fund the Vector Control project (517-0235), and $2.5 million to initiate a Self-Financing Health Care project (517-0230) to provide basic health services to low-income families on a prepayment and fee-for-services basis similiar to health maintenance organizations (HMOs) in the United States. Resources will be made available to a private group to market the new services, strengthen internal management, and improve quality control. Technical assistance will be provided by a U.S. health services investor in the program or by entering into a management contract with an experienced U.S.-based HMO. This 4-year project is expected to reach 40,000 beneficiaries by the fourth year. Some $200,000 is planned for the Program Development and Support project (517-0000) for health related studies, evaluations, and project development.

3. Education and Human Resources. $1.1 million is requested, of which $1 million is to incrementally fund the Development Training project (517-0216) to provide U.S. training for some 150 Dominican managers and private sector entrepreneurs, and $100,000 in Program Development and Support (517-0000) funds for design and evaluation activities.

4. Selected Development Activities. $7.7 million is requested, including $7 million to initiate a Light Industry Development project (517-0231) to assist in a shift from domestic market orientation toward the export of manufactured products with a higher labor content, greater value added, and better quality for international markets; $400,000 in Program Development andSupport (517-0000) funds for project development; $75,000 for the Special Development Activities project (517-0050); and $275,000 for grants to PVOs (517-9999).

C. PL 480 Program. The proposed $30 million PL 480 Title I program will provide needed food commodities on a concessional basis. Local currency generated from commodity sales will support development. As with ESF local currencies, special emphasis will be given to providing credit for non-traditional exports, diversified agriculture development, and supporting infrastructure, all in support of the private sector. The Title II program will provide about $1.6 million in commodities for distribution by CARE for maternal and child health and infant and pre-school feeding programs, and by CRS for Food-for-Work programs and institutional feeding.

MISSION DIRECTOR: Henry H. Bassford

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 517-0000	62	C	---	---	9,453	9,238	300	400	350	350
RURAL DEVELOPMENT MANAGEMENT	G 517-0125	81	36	1,100	1,600	1,100	955	500	350	---	250
NATURAL RESOURCES MANAGEMENT	G 517-0126	81	84	500	500	500	364	---	136	---	---
NATURAL RESOURCES MANAGEMENT	L 517-0126	81	84	10,500	10,500	10,500	4,395	---	2,000	---	2,000
RURAL FEEDER ROADS	L 517-0130	79	80	10,000	10,000	10,000	9,769	---	231	---	---
ENERGY CONSERVATION AND RESOURCES DEV	G 517-0144	82	84	3,114	3,114	3,114	2,789	---	325	---	---
ENERGY CONSERVATION AND RESOURCES DEV	L 517-0144	82	84	5,268	5,268	5,268	1,910	---	2,000	---	1,358
SMALL INDUSTRY	G 517-0150	82	82	595	595	595	231	---	160	---	204
SMALL INDUSTRY	L 517-0150	82	82	3,500	3,500	3,500	2,001	---	1,200	---	299
AGRICULTURE POLICY ANALYSIS	G 517-0156	84	84	500	500	500	79	---	200	---	200
ON - FARM WATER MANAGEMENT	L 517-0159	83	83	12,000	12,000	12,000	643	---	2,000	---	2,500
AGRICULTURAL SECTOR TRAINING	L 517-0160	83	83	3,450	3,450	3,450	437	---	450	---	650
FORESTRY MANAGEMENT	G 517-0173	84	85	2,000	2,000	2,000	---	---	250	---	750
RURAL ROADS MAINTENANCE II - (PVO)	L 517-0177	83	86	15,000	15,000	12,800	2,349	2,200	4,000	---	4,000
SAVINGS MOBILIZATION I	G 517-0179	83	85	950	950	950	334	---	500	---	116
AGRICULTURAL RESEARCH AND EXTENSION	* G 517-0180	87	89	---	14,750	---	---	---	---	1,650	750
AGRI-BUSINESS PROMOTION	G 517-0186	85	86	2,500	2,500	1,740	---	760	300	---	1,000
AGRI-BUSINESS PROMOTION	L 517-0186	85	86	15,560	15,560	10,220	---	5,340	2,500	---	4,000
COMMERCIAL FARMING SYSTEMS	* G 517-0214	87	88	---	4,000	---	---	---	---	2,000	---
COMMERCIAL FARMING SYSTEMS	* L 517-0214	87	88	---	12,000	---	---	---	---	11,000	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						86,537	117,787	87,690	35,494	9,100	17,002	15,000	18,427
GRANTS						11,259	30,509	19,952	13,990	1,560	2,621	4,000	3,620
LOANS						75,278	87,278	67,738	21,504	7,540	14,381	11,000	14,807
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	335	162	150	225	225	200
INSTITUTE FOR POP AND DEV STUDIES - OPG		G	517-0161	82	83	407	407	407	342	---	65	---	---
FAMILY PLANNING SERVICES		G	517-0229	86	87	---	4,000	---	---	2,300	100	1,425	500
TOTAL FOR ACCOUNT						407	4,407	742	504	2,450	390	1,650	700
GRANTS						407	4,407	742	504	2,450	390	1,650	700
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	348	762	300	200	200	200
HEALTH SECTOR II		L	517-0120	79	79	8,000	8,000	8,000	7,035	---	965	---	---
HEALTH SYSTEMS MANAGEMENT		G	517-0153	84	85	1,500	1,500	1,500	---	---	350	---	600
HEALTH AND NUTRITION EDUCATION - OPG		G	517-0174	83	84	495	495	495	277	---	218	---	---
SELF-FINANCING HEALTH CARE	*	G	517-0230	87	88	---	3,000	---	---	---	---	2,500	600
PRIVATE AGENCIES COLLAB. TOGETHER-PVO		G	517-0232	85	85	430	430	430	---	---	182	---	248
VECTOR CONTROL		G	517-0235	86	87	---	1,500	---	---	1,000	350	500	600
TOTAL FOR ACCOUNT						10,425	14,925	11,273	8,074	1,300	2,265	3,200	2,248
GRANTS						2,425	6,925	3,273	1,039	1,300	1,300	3,200	2,248
LOANS						8,000	8,000	8,000	7,035	---	965	---	---
EDUCATION AND HUMAN RESOURCES													

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: DOMINICAN REPUBLIC

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	836	713	150	200	100	175
HUMAN RESOURCES DEVELOPMENT		G	517-0127	81	85	1,150	1,150	1,150	627	---	350	---	193
HUMAN RESOURCES DEVELOPMENT		L	517-0127	81	85	4,250	4,250	4,250	1,090	---	700	---	1,000
GRADUATE MANAGEMENT TRAINING		G	517-0157	83	86	6,500	6,500	5,119	1,861	381	950	---	1,000
AGRICULTURAL SECTOR TRAINING		L	517-0160	83	83	1,550	1,550	1,550	---	---	500	---	500
RADIO SANTA MARIA - OPG		G	517-0167	82	84	425	425	425	239	---	129	---	56
POLICY ANALYSIS TRAINING		G	517-0188	86	86	1,500	1,500	---	---	1,500	---	---	500
CENTER FOR LEGISLATIVE AFFAIRS		G	517-0189	86	86	---	500	---	---	500	---	---	250
EXPORT INVESTMENT PROMOTION		G	517-0190	85	85	1,500	1,500	---	---	1,500	400	---	600
DEVELOPMENT TRAINING		G	517-0216	86	88	---	2,500	---	---	500	---	1,000	500
TOTAL FOR ACCOUNT						16,875	19,875	14,350	4,516	4,531	3,129	1,100	4,776
GRANTS						11,075	14,075	8,550	3,426	4,531	1,929	1,100	3,276
LOANS						5,800	5,800	5,800	1,090	---	1,200	---	1,500
SELECTED DEVELOPMENT ACTIVITIES													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	1,481	1,151	400	600	400	750
SPECIAL DEVELOPMENT ACTIVITIES		G	517-0050	62	C	---	---	1,100	1,090	69	60	75	60
ENERGY CONSERVATION AND RESOURCES DEV		G	517-0144	82	86	2,600	2,600	1,600	816	1,000	1,000	---	784
ENERGY CONSERVATION AND RESOURCES DEV		L	517-0144	82	86	6,550	6,550	6,550	---	---	1,550	---	5,000
SMALL INDUSTRY		G	517-0150	82	84	255	255	255	117	---	75	---	63
SMALL INDUSTRY		L	517-0150	82	84	1,500	1,500	1,500	---	---	---	---	1,500
HOUSING APPROPRIATE TECHNOLOGY - OPG		G	517-0164	83	85	478	478	478	355	---	123	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRI-BUSINESS PROMOTION	L 517-0186	85	86	1,740	1,740	540	---	1,200	500	---	1,000
EXPORT INVESTMENT PROMOTION	G 517-0190	85	86	3,300	3,300	1,850	---	1,450	300	---	2,000
MICROBUSINESS DEVELOPMENT - OPG	G 517-0203	84	85	499	499	499	248	---	192	---	59
BI-NATIONAL CENTER - OPG	G 517-0210	84	84	250	250	250	112	---	138	---	---
CDE REVENUE COLLECTION	G 517-0218	86	86	---	500	---	---	500	200	---	300
CDE REVENUE COLLECTION	L 517-0218	86	86	---	2,500	---	---	2,500	1,500	---	1,000
LIGHT INDUSTRY DEVELOPMENT	* G 517-0231	87	89	---	2,000	---	---	---	---	2,000	---
LIGHT INDUSTRY DEVELOPMENT	* L 517-0231	87	89	---	15,000	---	---	---	---	5,000	---
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G 517-9999	78	C	---	---	---	---	---	---	233	140
TOTAL FOR ACCOUNT				17,172	37,172	16,103	3,859	7,119	6,238	7,708	12,256
GRANTS				7,382	9,882	7,513	3,859	3,419	2,688	2,708	3,756
LOANS				9,790	27,290	8,590	---	3,700	3,550	5,000	8,500
ECONOMIC SUPPORT FUND											
PRIVATE ENTERPRISE SECTOR DEVELOPMENT	G 517-0171	82	90	135,000	335,000	95,000	95,000	40,000	40,000	50,000	50,000
PRIVATE ENTERPRISE SECTOR DEVELOPMENT	L 517-0171	82	90	83,000	83,000	83,000	75,000	---	8,000	---	---
TOTAL FOR ACCOUNT				218,000	418,000	178,000	170,000	40,000	48,000	50,000	50,000
GRANTS				135,000	335,000	95,000	95,000	40,000	40,000	50,000	50,000
LOANS				83,000	83,000	83,000	75,000	---	8,000	---	---
TOTAL FOR COUNTRY				349,416	612,166	308,188	222,475	64,503	77,024	78,658	88,407
GRANTS				167,548	400,798	135,060	117,846	53,260	48,928	62,658	63,600
LOANS				181,868	211,368	173,128	104,629	11,243	28,096	16,000	24,807

Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Research and Extension	Funding Source	AG, RD & N 1,650	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,650	Life of Project Funding 14,750
Number 517-0180 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87 / Estimated Final Obligation FY 89 / Estimated Completion Date of Project FY 90

Project Purpose: To strengthen the national agricultural research system's ability to generate and disseminate improved agricultural technology pertinent to the needs of agriculture in the Dominican Republic.

Project Description: The activities of the proposed project include: 1) creating a new agency, the Dominican Institute for Agricultural Research (IDIA), dedicated to integrated research and technology transfer, 2) the direction and financing of research, 3) the management, implementation, and field validation of research, and 4) the transfer of technology to the extension network.

The primary function of IDIA will be to plan, coordinate, and conduct public sector research. IDIA will also be the vehicle for a program to gradually strengthen the capacity of selected private and public universities to conduct research and train researchers and extensionists. IDIA will also reach out to private agricultural enterprises that engage in research, to explore activities of potential mutual benefit.

IDIA will develop an agricultural information center, comprising a collection of local research materials, as well as materials from international agricultural research institutions.

Finally, IDIA will be the principal resource publishing, publicizing, and packaging the outputs of research for use by extension specialists, farmers, and agribusiness enterprises.

IDIA will be guided and managed by three related bodies: 1) a Board of directors which will have authority to name, dismiss, and replace the Director, and to approve, modify, or reject budgets, programs and operating regulations, 2) a Professional Advisory Council (PAC), which will advise the IDIA executive director of the research concerns of the professional sector, and 3) a program staff which will design and execute the programs, and present the results to the PAC for their evaluation.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with the A.I.D. strategy to increase agricultural production through a strengthened private sector.

Host Country and Other Donors: The GODR will contribute, in cash and in kind, RD$23 million (US$7 million at the current exchange of 3 to 1).

Beneficiaries: The direct beneficiaries will be the thousands of private farmers who obtain access to improved seeds, increase and bring about greater consumption of food among the population as a whole.

Major Outputs:	All Years
- 15 to 25 technology packages for nontraditional export crops developed and diseminated	15-25
- 2 sub experiment stations created and/or upgraded in geographic areas for nontraditional export crop potential	2

A.I.D. Financed Inputs	Life-of-Project ($000s)
1. Technical assistance	5,995
2. Training	2,840
3. Commodities	1,940
4. Other costs: Construction, local budget, support, salaries for liaison officers, etc.	1,494
5. Contingencies and inflation	2,481
	US$14,750

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,650	13,100	14,750

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title Commercial Farming Systems	**Funding Source**	**AG, RD & N** 2,000(G) 11,000(L)	**Health**	**PROPOSED OBLIGATION** *(In thousands of dollars)* FY 87 2,000(G) 11,000(L)	**Life of Project Funding** 4,000(G) 12,000(L)
Number 517-0214 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	**Population**	**ED. & HR**	**Sel. Act.**	**Initial Obligation** FY 87 **Estimated Final Obligation** FY 88 **Estimated Completion Date of Project** FY 90

PURPOSE: To increase non-traditional commercial crop production, both for export and domestic markets, in selected irrigated valleys.

PROJECT DESCRIPTION: Though the Government of the Dominican Republic (GODR) has invested heavily in irrigation systems and other infrastructure, most lack needed improvements and good water management. In addition, existing systems for delivering credit, technical assistance, and inputs to small farmers must be improved in order for farmers on irrigated land to move from subsistence to non-traditional commercial agriculture. The establishment and development of farmer associations offers an alternative solution for channeling services and provides agribusiness investors and food export organizations better opportunities to contract for mutually beneficial production and marketing arrangements.

The project will select irrigated valleys in the southwest and northwest regions of the country, based on their potential for production, existing infrastructure, land use, and commercial investment opportunities. It will assist the Dominican Republic to develop these high potential areas and attract commercial farming investment by (a) improving water delivery and management, (b) providing assistance to farmer associations to improve production, (c) strengthening farmers' relationships with input suppliers and processing and marketing firms, and (d) developing a network of local collection and storage facilities.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: This project supports A.I.D.'s strategy of promoting agricultural diversification and export growth. It builds on the experience of the On-Farm Water Management project (517-0159), and complements the Agribusiness Promotion project (517-0186).

HOST COUNTRY AND OTHER DONORS: The Government of the Dominican Republic (GODR) has made large infrastructure investments from its own sources and Inter-American Development Bank funds. The Israeli Government provided long-term advisory assistance in the Azua area. The GODR will contribute local currency costs for irrigation activities and in-kind contributions of land and personnel.

BENEFICIARIES: The direct beneficiaries will be 2,000 to 3,000 farm families who will have the chance to move from subsistence production to commercial farming systems. Private industry will also benefit from increased raw material supplies.

Major Outputs:	All Years
- Land under improved irrigation	6,000 acres
- Land producing non-traditional export crops	2,000 acres
- New foreign and domestic agribusiness investors	30
- Farmer associations established with credit, access to inputs, and assured markets	10-15
- New jobs created	4,000

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	2,000
Assistance to farmer organizations	2,000
Irrigation and land improvement	3,000
Commodities	1,000
Training	500
Credit	7,500
Total	16,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	13,000	3,000	16,000

Principal Contractors or Agencies

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title Self-Financing Health Services		Funding Source	AG, RD & N	Health 2,500	PROPOSED OBLIGATION (In thousands of dollars) FY 87 2,500	Life of Project Funding 3,000
Number 517-0230 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 88	Estimated Completion Date of Project FY 89

PURPOSE: To create a self-financing, private sector health maintenance organization (HMO) capable of providing basic health services to low income workers and their families, and/or residents of marginal neighborhoods of the city of Santo Domingo.

PROJECT DESCRIPTION: While public health services are the main source of health care for most Dominicans, the public health sector is over-extended and under-capitalized, and is unable to improve its services at the present time. This project will develop a private sector response to provide an alternate source of health service that will not increase the recurring cost burden of the public sector. Health services will be provided to individuals and families who work in small businesses, and the self-employed. The implementing agency will be a private health provider or consortium establishing service delivery centers in target neighborhoods, and providing referral services to secondary and tertiary specialized health care institutions. The implementing agency will be responsible for all manpower and logistical support to the delivery system. Once sufficient actuarial data have been collected, and to assure continuity of services after A.I.D. funding ends, the project will experiment with several payment mechanisms based on different forms of payment.

The project will finance: (1) technical assistance to improve the implementing agency's management; (2) a marketing program to expand the new services; (3) training of implementing agency staff; and (4) provision of minimal health equipment needed to upgrade the facilities of the implementing agency.

RELATIONSHIP TO A.I.D. COUNTRY STRATEGY: The country development strategy calls for the social sectors, including health, to play a supportive role to A.I.D.'s principal development objectives which center on promotion of new sources of employment through agro-industries, agriculture diversification, and the promotion of export and investment in small- and medium-sized industries.

HOST COUNTRY AND OTHER DONORS: The full operating costs of this project will be borne by the beneficiaries at the end of A.I.D.'s contribution. The institutions to implement the project will provide the bulk of needed operating capital.

BENEFICIARIES: Direct beneficiaries will be the approximately 40,000 persons who will enroll in this health care program. The program will accept subscribers from all economic levels. It is expected that about 30% of the members will come from the minimum wage category.

Major Outputs:	All Years
- Organizations providing HMO services	2
- Industrial and community groups receiving health services	35
- Individuals trained in HMO systems	50
- Clinics upgraded to provide services	6
- People enrolled in HMO system	40,000

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,800
Training	300
Equipment, supplies, improvement of health delivery systems	900
Total	3,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	2,500	500	3,000	

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title Light Industry Development	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 2,000 (G) 5,000 (L)	Life of Project Funding 2,000 (G) 15,000 (L)
Number 517-0231 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 2,000 (G) 5,000 (L)	Initial Obligation FY 87 · Estimated Final Obligation FY 89 · Estimated Completion Date of Project FY 91

PURPOSE: To assist in diversifying and expanding the production capabilities and exports of small and medium-sized private enterprises (SMEs).

PROJECT DESCRIPTION: This project is designed to address the lack of credit at commercial rates, the shortage of technical assistance and management expertise, the liquidity and infrastructure requirements of SMEs; and to create links between domestic producers and free zone exporters. These are all major constraints to the growth of SMEs and their ability to earn foreign exchange.

Grant and loan funds will finance: a revolving credit fund to expand or reorient product lines; an infrastructure fund for rehabilitation, expansion, and improvement of existing industrial parks; and technical assistance. Technical assistance will aid in the collection, analysis, and dissemination of marketing information; promote technology transfer; and develop sub-contracting between the light industries and free zone companies. The target group will include businesses with assets of $3,500 to $50,000, with 6 to 40 workers. Loan will range from $7,000 to $100,000.

RELATIONSHIP TO A.I.D. COUNTRY STRATEGY: This project supports A.I.D.'s country strategy for export promotion, which reinforces the Government of the Dominican Republic's (GODR) plans to expand non-traditional exports.

HOST COUNTRY AND OTHER DONORS: The GODR will contribute the equivalent of $7 million in local currency to be used as credit funds for the expansion of industrial facilities, the rehabilitation of existing facilities, and to meet local working capital needs. This fund will also be related to the Inter-American Development Bank Industrial Rehabilitation project, which provides foreign exchange as working capital for raw material importation.

BENEFICIARIES: The direct beneficiaries will be approximately 500 small and medium businesses, and their employees. Indirect beneficiaries will include the 130 free zone companies, and the people around current and future industrial parks.

Major Outputs:	All Years
- Industries improved, with commercial ties to free trade zones	5-8
- SMEs with new technologies	50
- New contracting relationships	75-100
- Individuals trained in marketing	60
- SMEs assisted with credit	500

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,850
Training	150
Credit Fund	15,000
Total	17,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	-	-	-	
Estimated Fiscal Year 1986	-	-		
Estimated Through September 30, 1986	-	-	-	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	7,000	10,000	17,000	

PROGRAM DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title Private and Voluntary Organizations-Operational Program Grants		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 233	Life of Project Funding Continuing
Number 517-9999 ☒ GRANT ☐ LOAN	☒ NEW ☒ CONTINUING	Population	ED. & HR	Sel. Act. 233	Initial Obligation FY 78	Estimated Final Obligation FY Continuing

Estimated Completion Date of Project
FY Continuing

PURPOSE: To strengthen the capacity, and to mobilize the expertise of U.S. and Dominican private and voluntary organizations (PVOs) in development programs.

PROJECT DESCRIPTION: The Dominican Republic private sector has traditionally supported private voluntary organizations that are involved in social and economic development activities. As a result, there are several PVOs that can complement government activities with their own resources. A.I.D. provides operational program grants (OPGs) to organizations which can undertake low-cost developmental activities that have high impact. A.I.D. is currently working with a number of local PVOs to reinforce their capabilities to plan and execute projects, and to strengthen local institutions to carry forward developmental activities without the need for outside assistance. This approach has been successful in activities involving a swine repopulation program, fresh water fish culture, vocational training for women, and rural credit. Among current programs are the very successful Microbusiness Development project and the recently initiated CARE Rural Water project. A proposal under study will involve the training of artisans in manufacturing and marketing improved leather handicrafts, primarily for the local and tourist market. In addition to funds provided under Development Assistance, Dominican PVOs are receiving several million Dominican pesos in local currency generated under the P.L.-480 Title I and ESF programs.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: PVOs complement A.I.D.'s private sector development strategy by developing small scale enterprises, generating employment, and diversifying agricultural and industrial production.

HOST COUNTRY AND OTHER DONORS: In many cases, A.I.D. funds represent less than half of the total OPG project costs and never more than 75% of the resources devoted to the project. The remainder is covered by the PVOs themselves and, in some instances by grants from the Government of the Dominican Republic (GODR). A number of Peace Corps volunteers also work with Dominican PVOs.

BENEFICIARIES: Beneficiaries of the OPG projects are the rural and urban poor through employment, increased incomes, and participation in national economic development activities.

Major Outputs: Small projects in institutional strengthening, health, training and rural development.

A.I.D. Financed Inputs:	Life-of-Project ($000)
Grant: Selected Development Activities	233

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	233	Continuing	Continuing

Principal Contractors or Agencies

AID 370-7 (11-85)

1190

HAITI

247

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                                                   FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (521) HAITI

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)        5,762

PER CAPITA GNP.......... (DOLLARS,1983)          300

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  1.1%

ANNUAL RATE OF INFLATION (1973-83)  7.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     .%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                  (1985)   TOTAL 54.9  MALE 53.6  FEMALE 56.2
                  (1970)   TOTAL 48.9  MALE 48.0  FEMALE 49.8

ADULT LITERACY RATE  (1971)   TOTAL  21%  MALE  26%  FEMALE  17%

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*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                           (1975-1984)  -0.1%

AGRICULTURAL PRODUCTION AS % OF GDP............(    .)     .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        372


MAJOR CROP(S)                                    ARABLE LAND  YEAR
  SUBSISTENCE: CORN .SORGHUM .RICE                       55%   (1984)
  CASH: COFFEE .SISAL .VEGETABLES                        30%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE .SISAL .RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT .SOYBEANS .RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    57%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (    .)              (79)         165 (80)        185
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1979)        210 (80)         254 (81)        292
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (    .)              (79)         -45 (80)        -68
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (    .)    .% (  .)    .% (  .)    .%
  AS % OF GNP................. (    .)    .% (  .)    .% (  .)    .%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)                (1982)    10 (83)     15 (84)     19
  EQUIVALENT TO  0.4 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)COFFEE          .LIGHT IND. PROD.BAUXITE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  296  (1983)  320  (1984)  359
   AS % OF TOTAL EXPORTS (1981)     .% (1982)     .% (1983)    .%

MAJOR IMPORTS(1983)CONSUMERS DUR. .FOODSTUFFS      .INDUSTRIAL EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  328  (1983)  402  (1984)  461
   AS % OF TOTAL IMPORTS (1981)     .% (1982)     .% (1983)    .%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -204(82)   -122(83)  -127

TRADING PARTNERS: UNITED STATES .FRANCE .JAPAN

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    37.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)    15
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)   7.9%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   1.4% (1978)   1.4% (1985)  1.9%

POPULATION IN URBAN AREAS...........(1970)    20%   (1985)   28%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)    36

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1977)  18.9%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 40.6% (15-64YRS) 55.7% (65+ YRS)  3.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 107

PEOPLE PER PHYSICIAN................ (1979)  8,202

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA        .HELMINTHIASIS   .SKIN INFECTIONS
DEATH.. (1977) FLU & PNEUMONIA .ENTERIC DISEASE .TETANUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)    85%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  12%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY........ (1981)  TOTAL  77.8   MALE  84.2    FEMALE  71.5
SECONDARY...... (1981)  TOTAL  14.3   MALE  15.6    FEMALE  13.4
POST SECONDARY.. (1979)  TOTAL   0.7   MALE   1.0    FEMALE   0.4

ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      9.6%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY HAITI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	27.1	34.6	34.1	46.2	46.5	436.6	16.6	420.0
Loans	8.6	8.6	13.0	11.0	11.0	111.4	16.6	94.8
Grants	18.5	26.0	21.1	35.2	35.5	325.2	-	325.2
a. A.I.D. and Predecessor Agencies	11.1	9.2	11.8	27.3	25.7	229.8	7.6	222.2
Loans	-	-	-	-	-	22.6	7.6	15.0
Grants	11.1	9.2	11.8	27.3	25.7	207.2	-	207.2
(Economic Support Fund)	1.0	-	-	10.0	5.1	63.8		
b. Food for Peace (PL 480)	15.8	24.5	22.2	18.5	19.8	199.6	8.7	190.9
Loans	8.6	8.6	13.0	11.0	11.0	88.5	8.7	79.8
Grants	7.2	15.9	9.2	7.5	8.8	111.1	-	111.1
Title I – Total Sales Agreements	8.6	8.6	13.0	11.0	11.0	88.5	8.7	79.8
Repayable in U.S. Dollars – Loans	8.6	8.6	13.0	11.0	11.0	88.5	8.7	79.8
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	7.2	15.9	9.2	7.5	8.8	111.1	-	111.1
Emerg. Relief, Econ. Develop. & World Food Program	1.3	2.1	1.4	0.4	3.1	15.9	-	15.9
Voluntary Relief Agencies	5.9	13.8	7.8	7.1	5.7	92.2	-	92.2
c. Other Economic Assistance	0.2	0.9	0.1	0.4	1.0	7.2	0.3	6.9
Loans	-	-	-	-	-	0.3	0.3	-
Grants	0.2	0.9	0.1	0.4	1.0	6.9	-	6.9
Peace Corps	-	-	-	0.2	0.4	0.6	-	0.6
Narcotics	-	-	-	-	-	-	-	-
Other	0.2	0.9	0.1	0.2	0.6	6.3	-	6.3
II. MILITARY ASSISTANCE – TOTAL	0.1	0.4	0.5	0.7	1.0	8.7	1.7	7.0
Credits or Loans	-	0.3	0.3	0.3	-	2.1	1.7	0.4
Grants	0.1	0.1	0.2	0.4	1.0	6.6	-	6.6
a. MAP Grants	-	-	-	-	0.3	2.7	-	2.7
b. Credit Financing – FMS	-	0.3	0.3	0.3	-	2.1	1.7	0.4
c. Military Assistance Service Funded (MASF) Grants	0.1	0.1	0.2	0.4	0.7	2.9	-	2.9
d. Transfers from Excess Stocks	-	-	-	-	-	0.2	-	0.2
e. Other Grants	-	-	-	-	-	0.8	-	0.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	27.2	35.0	34.6	46.9	47.5	445.3	18.3	427.0
Loans	8.6	8.9	13.3	11.3	11.0	113.5	18.3	95.2
Grants	18.6	26.1	21.3	35.6	36.5	331.8	-	331.8
Other U.S. Government Loans and Grants	-	0.8	0.8	1.3	-	43.4	44.7	1.3-
a. Export-Import Bank Loans	-	-	-	-	-	38.8	42.0	3.2-
b. All Other Loans	-	0.8	0.8	1.3	-	4.6	2.7	1.9

LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	89.5	38.1	44.0	534.6
IBRD	0.0	0.0	0.0	2.6
IFC	0.0	0.0	0.0	3.2
IDA	56.0	19.1	32.1	256.4
IDB	32.6	17.4	11.9	220.4
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.8	1.6	0.0	38.3
OTHER-UN	0.0	0.0	0.0	13.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	43.0	39.0	212.0
Germany,Fed. Rep.	12.2	12.4	57.6
Canada	9.2	11.4	49.9
France	4.3	6.2	27.7
Japan	5.9	1.6	11.3
Other	4.1	5.3	24.2
Total	78.7	75.9	382.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

HAITI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	–	–	–	–	–	–	–	–
Grants	30,721	11,989	3,002	5,170	1,000	1,487	5,000	3,073[1]
Total	30,721	11,989	3,002	5,170	1,000	1,487	5,000	3,073
1986								
Loans	–	–	–	–	–	–	–	–
Grants	25,127	8,226	3,138	4,142	2,250	2,100	2,871	2,400[2]
Total	25,127	8,226	3,138	4,142	2,250	2,100	2,871	2,400
1987								
Loans	–	–	–	–	–	–	–	–
Grants	27,256	10,166	3,040	4,050	2,900	2,100	5,000	-
Total	27,256	10,166	3,040	4,050	2,900	2,100	5,000	

1/ Includes 3,000 for Child Survival, and 73 for Disaster Assistance

2/ Child Survival

FY 1987
PROGRAM HIGHLIGHTS

- Rural development programs which emphasize reforestation and soil conservation, agricultural research and extension, rural credit, livestock production, and labor-intensive rural infrastructure.

- Private sector programs will continue to promote labor-intensive export-oriented investments, and closer collaboration between government and business.

- Health and population activities which address the most serious diseases, strengthen primary health care services, and extend family planning, emphasizing user financing and low cost.

- Education projects will strengthen human resources by extending vocational training and basic education.

HAITI

RESOURCE FLOWS *(In thousands of dollars)*			
Program	**FY 1985 (Actual)**	**FY 1986 (Estimated)**	**FY 1987 (Proposed)**
Aid *			
Loans	801	912	–
Grants	22,365	30,652	38,709
Total AID	23,166	31,564	38,709
P.L. 480 **			
Title I	15,000	18,000	18,000
(of which Title III is)	(15,000)	(18,000)	(18,000)
Title II	7,595	7,079	7,056
Total P.L. 480	22,595	25,079	25,056
Total AID and P.L. 480	45,761	56,643	63,756

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 *(in thousands of dollars)*						
Program	**FY 1985 (Actual)**		**FY 1986 (Estimated)**		**FY 1987 (Proposed)**	
	MT	**$**	**MT**	**$**	**MT**	**$**
Title I						
Wheat	81,000	12,000	114,000	15,000	116,000	15,000
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	4,000	3,000	6,000	3,000	6,000	3,000
Non-food	–	–	–	–	–	–
Title I Total	85,000	15,000	120,000	18,000	122,000	18,000
(of which Title III is)	85,000	15,000	120,000	18,000	122,000	18,000
Title II [1]						
Voluntary Agencies	30,173	7,595	31,830	7,079	31,892	7,056
Government - to - Government	–	–	–	–	–	–
Title II Total	30,173	7,595	31,830	7,079	31,892	7,056
Total P.L. 480	115,173	22,595	151,830	25,079	153,892	25,056

[1] See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

HAITI

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	25	23	23
PASA[b]	1.0	1.8	1
TOTAL	26	24.8	24

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	26	27	45	117	162	34	131	165
Regional[e]	3	12	15	21	25	46	10	30	40
TOTAL	4	38	42	66	142	208	44	161	205

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	1	1	–	10	10	–	4	4
Regional[e]	–	–		–	–		–	–	
TOTAL		1	1		10	10		4	4

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

HAITI

Development Overview

Because of the Government of Haiti's (GOH) harsh actions during the unrest from November 1985 through early February 1986, A.I.D. limited its assistance to Haiti. The International Security and Development Cooperation Act of 1985 requires a Presidential determination each year that, among other things, the GOH is making progress in human rights before assistance may be provided to Haiti in FY 1986 and FY 1987. Until the GOH demonstrates satifactory progress in human rights, a Presidential determination will not be signed. The program described for FY 1986 and FY 1987 assumes that A.I.D. assistance will be resumed, and will continue to focus upon the rural poor.

Foreign donor assistance has accounted for approximately 65% of the GOH investment budget over the past decade and will remain critical for achieving economic stability. The assistance programs of the United States and those of other bilateral and multilateral donors have been important in encouraging the GOH to adopt more progressive development policies, exercise greater fiscal control and accountability, expand basic services to the rural poor, and improve collaboration with the business and private voluntary communities.

However, Haiti remains one of the poorest countries in the world, with per capita annual income at $320 and the vast majority of Haitians living below an absolute poverty level of $150 per year. The major constraints to development include:

1. rapid population growth resulting in one of the highest people-to-arable-land ratios in the world;
2. severe soil erosion resulting from clearing and farming much of Haiti's mountainous terrain;
3. limited natural resources with virtually no known commercially exploitable minerals;
4. underdeveloped human resources with nearly 80% of the population illiterate;
5. weak public sector institutions and an excessively centralized government structure;
6. periodic and often severe natural disasters, including hurricanes, droughts and flash floods;
7. inadequate physical infrastructure limiting access to basic services and markets.

U.S. Interests and Objectives

The absolute poverty, malnutrition and disease that produce the lowest life expectancy of any nation in this hemisphere argue for a U.S. foreign assistance program to Haiti on humanitarian grounds.

A.I.D. Development Strategy

To address the problems outlined above, A.I.D. focuses its efforts on five central objectives:

-- reducing and ultimately reversing deforestation and soil erosion by undertaking a comprehensive hillside effort in selected watershed areas;

-- improving the basic health and nutritional status of the rural and urban population, especially children;

-- strengthening Haiti's human resources by expanding improved basic education and vocational training opportunities, primarily through non-governmental organizations (NGOs);

-- reducing population growth and increases in human pressure on scarce land and natural resources; and

-- increasing employment by facilitating investment in export-oriented assembly manufacturing and agriculture.

To achieve these objectives, A.I.D. is concentrating on the private sector including businesses, private and voluntary organizations, cooperatives, and community groups. This strategy recognizes the current limitations of the Haitian public sector, and the demonstrated ability of private organizations to function in the countryside and to improve the economic and social conditions there.

A.I.D. Program (FY 1985 and FY 1986)

In FY 1985, A.I.D. continued to emphasize and expand the role of private voluntary and other non-governmental organizations in carrying out development programs. A.I.D. channeled nearly $7.6 million of P.L. 480 Title II foodstuffs and $17.4 million in financial aid through such organizations. Support through private groups represented nearly 50% of the total U.S. Government resources provided to Haiti during FY 1985, and the percentage of resources through private organizations is expected to be increased in FY 1986.

Haiti's efforts at stabilization continued to severely constrain development budget outlays in FY 1985. The $15 million equivalent in Haitian currency generated in FY 1985 and $18 million equivalent anticipated in FY 1986 under the PL 480 Title III program, along with a series of carefully negotiated policy reform measures which are a part of the Title III agreement, should help alleviate some of the strain.

A. Economic Support Fund (ESF). In FY 1985, $3.4 million in ESF funding financed the following development activities with NGOs, under the NGO Support III project (521-0182), in support of A.I.D.'s priority objectives in agriculture, health and employment generation: three grants totaling $801,000 with local private organizations to improve grafted fruit tree production and distribution in hillside areas; two grants totaling $1,408,000 to improve rural peasants' and urban factory-workers' skills and productivity; two grants totaling $149,000 with local private organizations to improve rural-health outreach services and community water systems; a grant of $453,000 with Partnership for Productivity to establish a local institution to provide vocational training and related services in Haiti; a grant to CARE for a labor-intensive rural reconstruction program in the poorest section of the country, which also received cash contributions from the GOH; and several smaller grants to PVOs to conduct livestock research, determine conch shell breeding and reseeding feasibility, and develop and expand the labor-intensive ceramics industry in Haiti.

Some $600,000 was provided to support the privately owned Haitian Mortgage Bank (521-0163), which includes a pilot project for low-income, non-subsidized housing; an additional $200,000 was granted to the Haitian Development Foundation (521-0144) to upgrade its capacity for furnishing credit to micro-businesses; and another $1 million was provided under the Technical Consultants and Training project (521-0167) for studies and advice necessary for economic development.

In FY 1986, an additional $1.8 million to the Development Finance Corporation (521-0154) is planned for medium/long-term credit and related services to expand labor-intensive industrial and agro-industrial ventures; $471,00 to the Technical Consultants and Training project (521-0167) will continue efforts to improve the economy; and $600,000 to the NGO Support IV project (521-0185) will finance development activities by NGOs that support A.I.D.'s priorities in agriculture, health and employment generation.

B. Development Assistance

1. Agriculture, Rural Development and Nutrition. In FY 1985 about 47%, and in FY 1986 about 34% of total DA funds are devoted to this sector. A.I.D. intends to place highest priority on activities to modify agricultural production practices on Haiti's hillsides, thereby improving the environment and increasing employment and incomes. In FY 1985, progress was made in laying the groundwork for this new strategy by refocusing the activities of several major ongoing projects into targeted watershed areas.

During FY 1985, the Agro-Forestry Outreach project (521-0122), which has been a successful seedling-distribution and forestry- extension program, helped farmers plant an additional five million trees. Under the Agriculture Development Support II project (521-0092), several sets of cropping complexes have been developed and are being tested featuring perennial species that will enable hillside farmers to conserve soil and increase productivity. Through the Strengthening Rural Credit Services project (521-0121), progress has been made in accelerating credit availability to steep-slope farmers in targeted areas, and it is anticipated that by the end of FY 1986 an additional 20,000 hillside farming families will be reached, thus extending agricultural credit services to over 67,000 farm families. In FY 1986, a major new project, Targeted Watershed Management I (521-0191), is planned to support improved hillside farming practices through designated soil conservation associations.

Under the Integrated Agricultural Development Project (521-0078), 48 miles of irrigation canals have been constructed to irrigate 2,225 acres of land; seed material of superior varieties of Haiti's principal food crops has been produced on 210 acres of land and distributed to 20,000 small farmers; and community-assisted soil-conservation projects have been initiated on 2,500 acres of hilly lands. Also, all long-term trainees funded under the project have returned and are occupying leadership positions in natural resources management, policy-making, and agricultural research and extension.

Under the Interim Swine Repopulation project (521-0170), over 50 secondary multiplication centers are breeding nearly 3,000 sows, the offspring of which are being distributed to small farmers. Having produced 5,000 piglets in FY 1985, this project is well ahead of schedule and will be extended in FY 1986 for two more years to accelerate swine repopulation efforts.

The Local Resources Development project (521-0156) was approved in FY 1985 to address the problem of hillside agriculture. Under a cooperative agreement arrangement, Save the Children Federation intends to implement an agricultural development project with a soil conservation/water management emphasis in the Maissade area of the upper Artibonite Valley.

Implementation of the Secondary Roads Development project (521-0149) continued to proceed slowly in FY 1985 because of problems with equipment maintenance and delays in commodity procurement. A recent in-depth evaluation recommended that institutional development should be emphasized more. A.I.D. is modifying the project as recommended by the evaluation.

2. Health, Child Survival Fund, and Family Planning. About 44% of DA funding was applied to these activities in FY 1985, and a similar amount is planned for FY 1986. The Rural Health Delivery System (RHDS) project (521-0091) made substantial progress in the following priority areas: (a) controlling diarrhea through oral rehydration therapy (ORT) - a recent nationwide survey showed that more than 80% of Haitian mothers were aware of ORT, and 35% had used it correctly during their child's last episode of diarrhea; (b) immunizing infants and mothers; (c) training cold-chain technicians, with the collaboration of Peace Corps Volunteers; (d) equipping the basic-health infrastructure; and (e) decentralizing management and administration by developing a new computerized accounting, management and health-information system at the regional level. Also, the program to expand the availability of essential generic drugs in rural areas grew in terms of total sales and numbers of outlets. A.I.D. continued to finance training of faculty members of the School of Medicine as well as nurses and midwives. The RHDS project is programed to be amended and extended in FY 1986 to complete priority activities.

During FY 1985, a new malaria-control strategy was developed to minimize recurrent costs and to integrate malaria-control activities into a larger health program. The new strategy will focus on improved drug-treatment control to reduce malaria-caused deaths rather than on vector control, which uses expensive pesticides. In FY 1986, the Management of Malaria project (521-0143) is expected to be modified to include this new anti-malaria strategy and to incorporate other recommendations from a September 1984 evaluation.

A.I.D. continues to support various health activities of private and voluntary organizations, which provide over half of the health care in Haiti. In FY 1985, a new project activity entitled Mobilizing Mothers for Child Survival (521-0194), funded under the Child Survival Fund, was authorized to extend improved primary health care services through PVOs to an additional 500,000 people in rural areas and to target resources more directly to mothers of children who are at risk of early death. The project should also strengthen private-sector training in a major slum and help develop a child-health institute, which will coordinate private operational research on child-survival activities.

The Community Water Systems project (521-0155) is advancing well, with one water system completed, another being constructed, and four more being designed and scheduled to be constructed in FY 1986. Also, a water-user survey has been completed, and an impact evaluation will be conducted in FY 1986.

The Family Planning Outreach project (521-0124), which made impressive headway in FY 1985, is planned for amendment in FY 1986 to consolidate and expand some successful elements. The planned FY 1986 Private Family Planning Resource Center project (521-0189) will continue to encourage, support and coordinate private-sector family-planning activities, which will increase access to family-planning services and promote a broader awareness of the impact of population growth on the country's environmental and other resources.

3. Education and Human Resources. The percentage of total DA resources for education will expand from 4% in FY 1985 to over 10% in FY 1986. A comprehensive education-sector assessment completed in FY 1985 concluded that resources spent for basic education would have a positive impact, reducing family size, improving health and nutrition, creating jobs and upgrading education practices. As a result of the assessment, A.I.D. is designing the Incentives to Improve Primary Education project (521-0190), which will begin in FY 1986. The project is being designed to address causes of poor education in Haiti's non-government schools, such as inadequate school facilities and learning materials, undernourished students, and unqualified teachers. As directed by the U.S. Congress, at least $1 million of the funds within this project are to be used to promote literacy, the primary objective of the project.

The Community Integrated Nutrition and Education Centers (CINEC) project (521-0138) has established 121 preschool centers benefiting some 30,000 children under a program executed by CARE. Because of this project's success in improving school attendance, retention levels, and other education indicators for those primary school students who participated in the program, the CINEC approach is a model for all preschool programs. Further support for this innovative program was provided in FY 1985 to cover the period of until the Incentives for Improving Basic Education project could be initiated. Future expansion of CINEC preschool activities are to be subsumed under this larger project.

4. Selected Development Activities. The percentage of total DA resources for this account will expand from 6% in FY 1985 to almost 10% in FY 1986. To generate employment and foreign exchange and alleviate credit constraints, A.I.D.'s private sector program concentrates on activities for small businesses in three areas: intermediate credit institutions, non-traditional exports, and investment and export promotion. Major achievements in FY 1985 included establishing the Private Enterprise Management and Productivity Center (521-0183); providing management training, small-business skill training and other management support services to the business community; creating the Haitian Crafts Export Resource Center (521-0179), which is institutionalizing product design and export marketing services for Haitian crafts; initiating agribusiness brokering services to encourage private sector investments in agribusiness projects; conducting Haiti's first and highly successful Agribusiness Workshop; and initiating lending activities to micro-enterprises under the restructured Haitian Development Foundation.

In response to opportunities under the Caribbean Basin Initiative (CBI), a Permanent Mixed Committee for Investment Promotion was established, composed of high-level public and private sector representatives, to address policy issues that constrain business expansion. To help execute policy measures adopted by the Committee and provide investment and export services to local and foreign investors, A.I.D. plans to develop the Investment and Export Promotion project (521-0186) in FY 1986.

Also in FY 1986, A.I.D. is planning to finance technical assistance to the newly formed Haitian Agricultural Producers Association to improve the exportation of produce and cut flowers. Afterwards, A.I.D. will finance an agribusiness and rural enterprise assessment, which will identify the conditions that hinder further expansion of this sector.

As recommended by a recent evaluation, $200,000 in FY 1985 and $300,000 in FY 1986 is programmed for the continuing Special Development Activities project (521-0062), which focuses on community-based, self-help development activities, including construction of sanitation facilities, soil conservation, and agricultural production programs.

C. P.L. 480. During FY 1985, $7.6 million in Title II commodities were channeled through four voluntary agencies to meet nutritional and development needs in Haiti. Nearly 615,000 Haitian poor benefited from school feeding, maternal/child health and food-for-work activities under the Title II program. Evaluations of these activities have resulted in improved program management. More secure and larger storage facilities, upgraded staff and improved inspection had reduced the inland losses to 1%

of total program tonnage. However, looting by mobs in early 1986 resulted in unanticipated losses. As a result, deliveries of additional commodities from the United States to Haitian ports were suspended, pending reestablishment of civil order. The FY 1985 Title I program, using approximately $15 million in local-currency proceeds from the sale of imported wheat and vegetable oil, financed self-help measures to spur development and reduce the country's dependency on external aid. The proceeds were used primarily to finance the local currency costs of priority projects in the agriculture, health, and transport sectors.

A P.L. 480 Title III agreement was signed on May 30, 1985. In FY 1985, the GOH imported $15 million in wheat and vegetable oil, set up its Title III program management system and reformed certain policies, such as reducing the coffee export tax, equalizing gasoline and diesel prices, establishing a progressive vehicle registration fee structure, initiating benefit/cost analyses and examining alternatives to GOH involvement in selected parastatals. In addition, Title III development activities are being designed, approved and implemented to benefit the rural population. Policy reforms and projects aimed at reversing deforestation and soil erosion and improving agricultural productivity will improve the nutrition of the poor and increase rural incomes. The program will also expand rural low-cost primary health care services and upgrade and expand the rural-road network and related maintenance activities.

Moreover, during a joint A.I.D./PVO planning exercise in April and May 1985, A.I.D. and PVOs committed themselves to improve the Title II program's management and increase its developmental impact by integrating it into A.I.D.'s developmental program.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Haiti in FY 1985 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1985 to participants from Haiti in the fields of agriculture, business, education, family planning, and health.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to Haiti are as follows:

Haiti did not receive a cash transfer in FY 1985.

C. Local currency associated with A.I.D. assistance to Haiti was allocated by A.I.D. and the Government of Haiti for the following uses in FY 1985. (There was a total of $1.9 million in local currency available at the beginning of FY 1985, and an equivalent of $14.2 million was added during FY 1985.)

Health and Family Planning Services	$4.208 million
Agriculture	$3.771 million
Public Works	$3.500 million
Private and Voluntary Organizations	$1.208 million
Improving Planning and Management Capabilities	$0.908 million
Disaster Relief	$0.200 million
Total	$13.615 million

D. Reprogramming of funds for Haiti during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

($ 000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1985 Obligations	30,700	12,039	3,004	5,170	3,000	1,000	1,487	5,000
- Actual FY 1985 Obligations	30,648	11,989	3,002	5,170	3,000	1,000	1,487	5,000

E. Funds and Programs provided to Haiti in FY 1985 through non-governmental as contrasted to governmental channels:

	Non-governmental	Government of Haiti
DA	$13.418 million (52%)	$12.225 million (48%)
ESF	$ 4.000 million (80%)	$ 1.000 million (20%)
P.L. 480 Title III	$ 1.028 million (8%)	$12.587 million (92%)
P.L. 480 Title II	$ 7.595 million (100%)	-0-
Total	$26.041 million (50%)	$25.842 million (50%)

Requested Year Program (FY 1987)

A. Economic Support Fund. A.I.D. requests a total of $5,000,000 in ESF assistance in FY 1987, of which $2,050,000 will be used for the Non-Governmental Support V project (521-0188). This project will help NGOs implement several activities which support A.I.D.'s development strategies in soil conservation and watershed management, rural employment generation, health and family planning outreach and educational development. Also, $2,600,000 is requested to continue the Development Finance Corporation project, and a final tranche of $350,000 is required to fully fund the Haitian Mortgage Bank project.

B. Development Assistance. A.I.D. requests a total of $22,256,000.

1. Agriculture, Rural Development and Nutrition. Some $10,166,000 is requested to support several ongoing programs and to undertake two new initiatives, which will support A.I.D.'s new strategy to transform the environmentally deleterious annual crop production patterns currently employed by hillside peasants into sustainable-yield, soil-conserving

farming systems. Incremental funding is required for the following projects: Agricultural Development Support II (521-0092), Strengthening Rural Credit Services (521-0121), Agroforestry Outreach (521-0122), Secondary Roads Development (521-0149), Community Water Systems Development (521-0155), Interim Swine Repopulation (521-0170), and Targeted Watershed Management I (521-0191), which is scheduled to begin in FY 1986. A new Hillside Farming Outreach project (521-0187), complementing the Targeted Watershed Management project (521-0191), will help change the production patterns of hillside farmers. PVOs, in target watersheds, will assist farmers in implementing soil-conserving, income-generating farming technologies. The proposed Agribusiness and Rural Enterprise Expansion project (521-0195) will increase production and employment in rural areas by promoting private sector investments in agribusiness and rural-enterprise projects.

2. Health and Family Planning. In these sectors, $7,090,000 is requested to support ongoing projects. Incremental funding is required for: Family Planning Outreach (521-0124), Private Family Planning Resource Center (521-0189), and Management of Malaria (521-0143).

3. Education and Human Resources. A.I.D. requests $2,900,000 to support two projects: Management and Productivity Center (521-0183), which provides management training and other services to Haitian entrepreneurs; and Incentives to Improve Primary Education (521-0190), which is scheduled to start in FY 1986.

4. Selected Development Activities. $2,100,000 is requested to support two ongoing activities: Special Development Activities (521-0062) and Investment and Export Promotion (521-0186).

5. As in previous years, Program Development and Support (521-000) funds will be used to provide consultants and conduct studies, analyses and workshops to facilitate the preparation and development of new and amended project activities.

C. P.L. 480. Under P.L. 480 Title II, assistance in the amount of $7,736,000 will continue at slightly higher commodity levels for primary school, maternal and child health, and other A.I.D., PVO and community development projects, where Title II food commodities constitute an important input. The Title III program will enter its third year with a proposed level of $18 million, assuming the Haitian Government continues meeting the terms and conditions of the program.

MISSION DIRECTOR: Jerome French

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	521-0000	73	C	---	---	3,235	3,059	350	400	250	300
SMALL FARMER DEVELOPMENT		G	521-0073	78	78	1,511	1,511	1,511	1,436	---	75	---	---
INTEGRATED AGRICULTURAL DEVELOPMENT		G	521-0078	76	55	9,290	9,290	9,290	7,988	---	1,402	---	---
INTEGRATED AGRICULTURAL DEVELOPMENT		L	521-0078	76	85	2,800	2,800	2,800	1,888	---	912	---	---
AGRICULTURAL DEVELOPMENT SUPPORT II		G	521-0092	78	88	3,808	5,808	2,462	799	846	1,200	500	1,300
STRENGTHENING RURAL CREDIT SERVICES		G	521-0121	81	87	5,265	5,265	3,650	2,772	800	839	815	1,239
AGROFORESTRY OUTREACH - PVO		G	521-0122	81	90	11,500	21,500	8,867	6,082	2,533	2,000	2,601	2,200
SECONDARY ROADS DEVELOPMENT		G	521-0149	23	88	12,500	12,500	8,450	2,395	---	2,000	1,500	2,500
COMMUNITY WATER SYSTEM DEVELOPMENT		G	521-0155	84	87	1,907	1,907	1,907	1,225	---	172	---	510
LOCAL RESOURCE DEVELOPMENT		G	521-0156	55	55	1,000	1,000	1,000	50	---	450	---	500
INTERIM SWINE REPOPULATION		G	521-0170	83	87	3,803	6,000	3,803	2,325	1,197	1,338	1,000	1,838
HILLSIDE FARMING OUTREACH	*	G	521-0187	87	95	---	30,000	---	---	---	---	1,000	500
TARGETED WATERSHED MANAGEMENT I		G	521-0191	86	95	---	35,000	---	---	1,500	---	1,500	2,500
LOCAL RESOURCES DEVELOPMENT II		G	521-0192	86	87	---	1,000	---	---	500	300	500	400
STRENGTHENING COFFEE COOP. II (CLUSA)		G	521-0193	85	86	1,000	1,000	500	25	500	225	---	750
AGRIBUSINESS AND RURAL ENT. EXPANSION	*	G	521-0195	87	90	---	3,000	---	---	---	---	500	100

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						54,384	137,581	47,475	29,944	8,226	11,313	10,166	14,637
GRANTS						51,584	134,781	44,675	28,056	8,226	10,401	10,166	14,637
LOANS						2,800	2,800	2,800	1,888	---	912	---	---
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	521-0000	73	C	---	---	184	166	75	50	90	40
FAMILY PLANNING OUTREACH		G	521-0124	81	88	9,615	15,615	9,613	6,922	2,063	2,000	1,950	2,600
POPULATION FOR DEVELOPMENT		G	521-0189	86	87	---	2,000	---	---	1,000	400	1,000	1,200
TOTAL FOR ACCOUNT						9,615	17,615	9,797	7,088	3,138	2,450	3,040	3,840
GRANTS						9,615	17,615	9,797	7,088	3,138	2,450	3,040	3,840
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	521-0000	73	C	---	---	393	264	94	90	100	115
RURAL HEALTH DELIVERY SYSTEM		G	521-0091	79	87	17,500	21,100	17,500	13,750	1,756	2,800	1,844	2,800
MANAGEMENT OF MALARIA		G	521-0143	82	88	8,000	11,500	7,050	4,865	950	1,843	1,106	2,200
COMMUNITY WATER SYSTEM DEVELOPMENT		G	521-0155	84	87	2,000	2,000	---	---	1,000	300	1,000	700
URBAN HEALTH AND COMMUNITY DEV II - OPG		G	521-0159	84	86	2,100	2,100	1,758	749	342	1,000	---	351
TOTAL FOR ACCOUNT						29,600	36,700	26,701	19,628	4,142	6,033	4,050	6,166
GRANTS						29,600	36,700	26,701	19,628	4,142	6,033	4,050	6,166
LOANS						---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND													
MOBILIZING MOTHERS FOR CHILD SURVIVAL		G	521-0194	85	86	3,000	5,600	3,000	91	2,400	1,000	---	1,500

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 87

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT				3,000	5,600	3,000	91	2,400	1,000	---	1,500
GRANTS				3,000	5,600	3,000	91	2,400	1,000	---	1,500
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	G 521-0000	73	C	---	---	702	632	250	145	150	---
CINEC - OPG	G 521-0138	80	85	2,297	2,297	2,297	1,976	---	321	---	---
PRIVATE ENTERPRISE MANAGEMENT CENTER	G 521-0183	85	88	2,300	2,300	450	---	800	600	750	600
INCENTIVES TO IMPROVE PRIMARY EDUCATION	G 521-0190	86	90	---	15,000	---	---	1,200	500	2,000	1,500
TOTAL FOR ACCOUNT				4,597	19,597	3,449	2,608	2,250	1,566	2,900	2,100
GRANTS				4,597	19,597	3,449	2,608	2,250	1,566	2,900	2,100
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
PROGRAM DEVELOPMENT AND SUPPORT	G 521-0000	73	C	---	---	1,715	1,430	300	435	300	435
SPECIAL DEVELOPMENT ACTIVITIES	G 521-0062	68	C	---	---	1,807	1,753	300	250	300	300
CHAMBELLAN COMMUNITY DEVELOPMENT - OPG	G 521-0151	81	84	362	362	362	308	---	54	---	---
NONTRADITIONAL EXPORT DEVELOPMENT	G 521-0179	85	87	1,000	1,500	950	77	50	400	500	473
INVESTMENT AUTHORITY	G 521-0186	86	89	---	5,000	---	---	1,450	500	1,000	1,800
TOTAL FOR ACCOUNT				1,362	6,862	4,834	3,568	2,100	1,639	2,100	3,008
GRANTS				1,362	6,862	4,834	3,568	2,100	1,639	2,100	3,008
LOANS				---	---	---	---	---	---	---	---
INTERNATIONAL DISASTER ASSISTANCE											
DISASTER ASSISTANCE	G 521-DRXX	85	85	73	73	73	---	---	73	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						73	73	73	---	---	73	---	---
GRANTS						73	73	73	---	---	73	---	---
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
DEVELOPMENT FINANCE CORPORATION		G	521-0154	83	88	5,000	10,000	5,000	4,346	1,800	1,900	2,600	2,300
HAITIAN MORTGAGE BANK		G	521-0163	84	87	1,750	1,750	1,100	72	---	604	650	831
TECHNICAL CONSULTANCIES AND TRAINING		G	521-0167	83	86	2,000	2,471	2,000	299	471	1,200	---	700
NGO SUPPORT I		G	521-0169	83	83	4,000	4,000	4,000	3,914	---	86	---	---
NGO SUPPORT II		G	521-0181	84	84	4,500	4,500	4,500	1,298	---	1,500	---	1,702
NGO SUPPORT III		G	521-0182	85	85	3,400	3,400	3,400	246	---	1,800	---	1,554
NGO SUPPORT IV		G	521-0185	86	86	---	600	---	---	600	400	---	71
NGO SUPPORT V	*	G	521-0183	87	88	---	1,750	---	---	---	---	1,750	300
TOTAL FOR ACCOUNT						20,650	28,471	20,000	10,775	2,871	7,490	5,000	7,458
GRANTS						20,650	28,471	20,000	10,775	2,871	7,490	5,000	7,458
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						123,231	252,499	115,329	73,702	25,127	31,564	27,256	38,709
GRANTS						120,431	249,699	112,529	71,814	25,127	30,652	27,256	38,709
LOANS						2,800	2,800	2,800	1,888	---	912	---	---

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*Refers to the planned project summary sheet

^{C}Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title Hillside Farming Outreach	Funding Source	AG, RD & N 1,000	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,000		Life of Project Funding 30,000
Number 521-0187 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 95	Estimated Completion Date of Project FY 96

Purpose: To change the production patterns of hillside farmers.

Project Description: The most critical concern in Haitian agriculture is rapid degeneration of productivity, due to use of environmentally degrading hillside farming systems. The productive potential of hillsides is low and declining rapidly. The farming systems in use are fundamentally inappropriate under prevailing natural, demographic and socio-economic conditions. Present hillside farming practices must be modified to improve the future for the Haitian rural sector. A.I.D. has initiated a major effort in hillside agriculture in a single geographic area in the southwest (Targeted Watershed Management I, 521-0191). The technical advances which result from that intensive effort will be transferred to other areas of Haiti through this project, which will have more extensive impact on high priority watersheds which are not being addressed by other donors. Using the model of the highly successful Agro-Forestry Outreach project (521-0121), a series of development assistance grants will be provided to PVOs in the priority watersheds. The PVOs will mobilize and organize farmers to adopt appropriate hillside agricultural practices to ensure sustained levels of production. They will provide the hillside farmers' groups with extension outreach services and the necessary resources for implementing soil-conserving, income-generating farming systems technologies.

Relationship of Project to A.I.D. Country Strategy: The project is a key element of the Mission Strategy, to reduce and ultimately reverse the process of deforestation and soil erosion, by undertaking a comprehensive hillside effort in selected watershed areas. It will complement other A.I.D. efforts in watershed management, agriculture and re-forestation. It also supports the strategy of utilizing PVOs as vehicles for developmental and outreach activities.

Host Country and Other Donors: More Government and donor resources are now being concentrated in hillside area programs. This project will seek to insure even greater collaboration among the host-government institutions and international donors in the development and implementation and appropriate hillside farming techniques.

Beneficiaries: The primary beneficiaries will be the 300,000 residents of the priority watershed areas, 70% of whom live on the hillsides. The technologies and organizational arrangements transferred and adopted under the project should ultimately benefit all hillside farmers, and the lowland and urban populations who will benefit from a stabilized and more productive resource base.

Major Outputs:	All Years
- New Soil conservation technology applied to hillside land	80,000 acres
- Greater crop yields produced on effected land	x
- PVO extension agents trained	100
- Nurseries established	50
- Improved varietal and generic stocks of trees, grasses, and crops developed and disseminated	x

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	7,000
Commodities	10,000
Training	1,000
Research and Extension	2,000
Land Development Fund	10,000
Total	30,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	---	---	---
Estimated Fiscal Year 1986	---	---	
Estimated Through September 30, 1986	---	---	---
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,000	29,000	30,000

Principal Contractors or Agencies

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title Agribusiness and Rural Enterprise Expansion		Funding Source	AG, RD & N 500	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 500		Life of Project Funding 3,000
Number 521-0195 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 90	Estimated Completion Date of Project FY 90

Purpose: To increase employment in the rural areas of Haiti through stimulating private sector investments in agribusiness and rural enterprise projects.

Project Description: A.I.D. is presently implementing an institution building strategy to provide a sound foundation for sustained private sector growth in Haiti. The institutional framework includes intermediate credit and export promotion institutions and a management training center to promote and facilitate investments in the export manufacturing sector. The support necessary to expand the capacities of these institutions to promote agribusiness and rural enterprise development will be developed through this project, and includes:

(1) Training and Advisory Services, such as basic assistance to agricultural transformation enterprises to help managers and microentrepreneurs improve operations, output and profitability;

(2) Research Services such as technical research and information gathering on production processes.

(3) Additional Credit through an existing institution should credit sources be inadequate.

(4) Marketing Assistance aimed at matching production and markets, providing outlets for agricultural goods and improving marketing structures.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s private sector development strategy in Haiti initially identified the industrial export sector as the best short-term approach to addressing the country's employment difficulties, since that sector has shown the most dynamic growth in the economy during the past decade. This will be broadened by a medium-term strategy which promotes investments in agribusiness and rural enterprises to stimulate productive jobs in rural areas. During FYs 1985 and 1986, efforts will be concentrated on brokering a limited number of agro-industrial projects in order to provide evidence that successful investments in this risk-oriented subsector are possible.

Host Country and Other Donors: The project will be implemented within the private sector, and it is expected that the services to be provided will to a great extent be sustained by user-free mechanisms. There will probably be cooperation with the Interamerican Development Bank and the Canadian International Development Agency, which have indicated interest in providing assistance for rural entrepreneur credit and training.

Beneficiaries: Poor rural Haitians who will obtain employment as a result of expanded agricultural and transformation industry production in the rural areas will be important beneficiaries. The principal institutional beneficiaries will be existing A.I.D.-supported private sector institutions which provide the required outreach services.

Major Outputs:	All Years
- Technical Assistant Unit Established	X
- New or expanded Agribusinesses	20
- Jobs Created	2,000
- Foreign Exchange Earnings	$10,000,000

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,500
Credit	1,000
Commodities	500
Total	3,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	---	---	---	
Estimated Fiscal Year 1986	---	---		
Estimated Through September 30, 1986	---	---	---	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1985	500	2,500	3,000	

AID 370-7 (11-85)

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title Non-Governmental Organization (NGO) Support V	Funding Source 1,750 ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,750		Life of Project Funding 1,750
Number 521-0188 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 87
						Estimated Completion Date of Project FY 89

Purpose: To increase the economic opportunities and basic services made available to the rural poor through non-governmental organizations (NGOs).

Project Description: Under previous NGO programs, participating organizations demonstrated their ability to positively impact on Haitian rural development. Similar results are anticipated for the FY 1986 program. The FY 1987 NGO Support V program will continue A.I.D.'s emphasis on providing support to NGOs with a demonstrated capacity to provide services and programs effectively. The proposed program will directly assist NGOs in the implementation of technically sound and economically viable projects. The program will draw on the outreach capacity of NGOs to reach the rural poor and effectively transfer technology and information. Moreover, by providing assistance to NGOs to implement the subprojects, the institutional capability of these organizations to design and implement effective development projects will be enhanced. In FY 1987, priority consideration will be accorded to rural activities such as improved production of fruit and nut trees, soil conservation, erosion control, rural health care, artisan production, community development and vocational training.

Relationship of Project to A.I.D. Country Strategy: This program conforms to A.I.D. development policy and the USAID/Haiti development strategy by channeling development assistance through private organizations and promoting private enterprise, developing and improving private institutional resources and capabilities, promoting the transfer of technology through the NGO mechanism, and financing NGO activities which contribute to achieving A.I.D.'s priority development objectives in Haiti.

Host Country and Other Donors: Participating NGOs will fund at least 25% of the cost of each subproject.

Beneficiaries: This program will directly benefit two major target groups: the rural poor and participating NGOs. Subprojects under this program will be concentrated in rural areas where assistance is most urgently required. Small-scale farmers, day laborers, and other segments of the rural population can be expected to actively participate in and benefit from these NGO activities.

Major Outputs	All Years
- New Expanded tree production programs	2
- Production/distribution of improved fruits, fuel, nut tree varieties	250,000
- New soil conservation programs	2
- New/expanded health outreach programs	2
- New income generation activities	1
- New/expanded community Dev. activities	2
- Expanded vocational training programs	1

A.I.D. Financed Inputs	Life-of-Project ($000)
Technical Assistance	700
Commodities	700
Training	250
Evaluation	100
Total	1,750

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	---	---	---
Estimated Fiscal Year 1986	---	---	
Estimated Through September 30, 1986	---	---	---
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,750	---	1,750

Principal Contractors or Agencies

JAMAICA

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                              FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (532) JAMAICA

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•BASIC DATA•
-------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      2,301

PER CAPITA GNP.......... (DOLLARS,1983)      1,300

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) -0.5%

ANNUAL RATE OF INFLATION (1973-83) 16.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 72.0  MALE 69.9  FEMALE 74.1
                    (1970)   TOTAL 67.0  MALE 65.3  FEMALE 68.9

ADULT LITERACY RATE  (1981)  TOTAL  73%  MALE  67%  FEMALE  78%

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•AGRICULTURE•
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)  -3.7%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)     6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)      474


                                               ARABLE LAND  YEAR
MAJOR CROP(S)
  SUBSISTENCE: ROOTS AND TUBERS ,CORN ,PULSES       30%   (1984)
  CASH: SUGARCANE ,COFFEE ,SPICES                   35%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,COFFEE ,SPICES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    29%
----------------------------
•CENTRAL GOVERNMENT FINANCES•
----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1976)       781 (77)        808 (78)        831
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1976)     1,215 (77)      1,354 (78)      1,206
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1976)      -434 (77)       -546 (78)       -375
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1975)  2.1% (76)  2.4% (77)  2.3%
  AS % OF GNP................. (1975)  0.8% (76)  1.0% (77)  1.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)              (1982)   109 (83)    63 (84)    97
  EQUIVALENT TO  0.8 MONTHS OF IMPORTS (1984)
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•FOREIGN TRADE•
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MAJOR EXPORTS(1983)GYPSUM          ,ALUMINA        ,BAUXITE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  258  (1983)  279  (1984)  377
   AS % OF TOTAL EXPORTS (1982)   37% (1983)   44% (1984)  52%

MAJOR IMPORTS(1983)FUELS           ,MACHINERY      ,TRANSP. ELEC. E

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)* 490  (1983)  497  (1984)  544
   AS % OF TOTAL IMPORTS (1982)   45% (1983)   47% (1984)  54%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -441(83)   -439(84)  -296

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,VENEZUELA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    85.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   205
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  29.9%
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•SOCIAL DATA•
-------------
POPULATION GROWTH RATE...(1970)   0.8% (1978)   0.8% (1985)  1.0%

POPULATION IN URBAN AREAS............(1970)    42%   (1985)   45%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    34    (1985)     26

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1983)  51.4%

POPULATION (1985) IN AGE GROUP:
               (0-14YRS) 36.9% (15-64YRS) 57.0% (65+ YRS)  6.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  18

PEOPLE PER PHYSICIAN................ (1979)  2,832

MAJOR CAUSES OF
DISEASE (1979) TUBERCULOSIS     ,FLU & PNEUMONIA ,UNKNOWN AILMENTS
DEATH.. (1977) CANCER           ,HEART DISEASE   ,STROKE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)   116%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  92%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY.........  (1980)  TOTAL   101   MALE   100    FEMALE   101
SECONDARY.......  (1980)  TOTAL  68.5   MALE  73.8    FEMALE  69.1
POST SECONDARY..  (1980)  TOTAL   4.7   MALE   6.6    FEMALE   1.4

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      0.6%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY JAMAICA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	14.6	73.3	138.6	103.5	110.0	613.4	35.4	578.0
Loans	10.0	67.8	128.4	91.0	96.4	494.7	35.4	459.3
Grants	4.6	5.5	10.2	12.5	13.6	118.7	-	118.7
a. A.I.D. and Predecessor Agencies	2.7	53.9	119.4	81.6	87.6	437.0	22.7	414.3
Loans	-	50.7	110.9	71.0	76.4	379.1	22.7	356.4
Grants	2.7	3.2	8.5	10.6	11.2	57.9	-	57.9
(Economic Support Fund)	-	41.0	93.5	59.4	55.0	256.3		
b. Food for Peace (PL 480)	10.0	17.1	17.5	20.1	20.5	148.7	12.7	136.0
Loans	10.0	17.1	17.5	20.0	20.0	115.6	12.7	102.9
Grants	-	-	-	0.1	0.5	33.1	-	33.1
Title I – Total Sales Agreements	10.0	17.1	17.5	20.0	20.0	115.6	12.7	102.9
Repayable in U.S. Dollars – Loans	10.0	17.1	17.5	20.0	20.0	115.6	12.7	102.9
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	-	-	-
Title II – Total Grants	*	*	*	0.1	0.5	33.1	-	33.1
Emerg. Relief, Econ. Develop. & World Food Program	*	*	*	0.1	0.1	14.4	-	14.4
Voluntary Relief Agencies	-	-	-	-	0.4	18.7	-	18.7
c. Other Economic Assistance	1.9	2.3	1.7	1.8	1.9	27.7	-	27.7
Loans	-	-	-	-	-	-	-	-
Grants	1.9	2.3	1.7	1.8	1.9	27.7	-	27.7
Peace Corps	1.7	2.2	1.7	1.7	1.8	23.5	-	23.5
Narcotics	-	-	-	-	-	1.0	-	1.0
Other	0.2	0.1	*	0.1	0.1	3.3	-	3.3
II. MILITARY ASSISTANCE – TOTAL	-	1.7	2.1	3.5	4.2	12.4	0.9	11.5
Credits or Loans	-	1.6	1.0	-	-	2.6	0.8	1.8
Grants	-	0.1	1.1	3.5	4.2	9.8	-	9.8
a. MAP Grants	-	-	1.0	3.3	4.0	9.3	-	9.3
b. Credit Financing – FMS	-	1.6	1.0	-	-	2.6	0.8	1.8
c. Military Assistance Service Funded (MASF) Grants	-	0.1	0.1	0.2	0.2	0.5	-	0.5
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	14.6	75.0	140.7	107.0	114.2	625.8	36.3	589.5
Loans	10.0	69.4	129.4	91.0	96.4	497.3	36.3	461.1
Grants	4.6	5.6	11.3	16.0	17.8	128.5	-	128.5
Other U.S. Government Loans and Grants	-	7.4	1.8	0.1	1.9	96.5	92.2	4.3
a. Export-Import Bank Loans	-	5.4	-	-	-	90.6	89.7	0.9
b. All Other Loans	-	2.0	1.8	0.1	1.9	5.9	2.5	3.4

* LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	149.4	131.2	87.3	1132.9
IBRD	120.4	44.6	64.0	693.4
IFC	0.0	0.0	10.8	27.6
IDA	0.0	0.0	0.0	0.0
IDB	26.4	85.8	8.5	382.5
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.6	0.7	0.0	23.6
OTHER-UN	0.0	0.1	0.0	1.8
EEC	0.0	0.0	4.0	4.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	115.0	111.0	358.0
Netherlands	8.4	7.9	107.6
United Kingdom	9.9	6.9	93.8
Canada	11.8	16.5	67.9
Germany, Fed. Rep.	5.0	4.1	35.0
Other	11.7	15.2	49.2
Total	161.8	161.6	711.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-83
	N.A.	30.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	10	-	40
Eastern Europe	-	-	285
Total	10	-	325

JAMAICA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	74,418	8,450	–	–	968	–	65,000	–
Grants	40,142	7,105	2,138	244	6,080	8,565	16,000	10 1/
Total	114,560	15,555	2,138	244	7,048	8,565	81,000	10
1986								
Loans	–	–	–	–	–	–	–	–
Grants	78,334	4,720	1,030	2,109	3,691	7 450	59,334	–
Total	78,334	4,720	1,030	2,109	3,691	7,450	59,334	
1987								
Loans	–	–	–	–	–	–	–	–
Grants	123,000	8,000	1,500	1,500	4,000	8,000	100,000	–
Total	123,000	8,000	1,500	1,500	4,000	8,000	100,000	

1/ Disaster Assistance

FY 1987
PROGRAM HIGHLIGHTS

- Continued support for economic stabilization ($100 million of Economic Support Funds).
- Expansion of private sector production of export crops, and improvement of the quality and competitiveness of Jamaican products in world markets ($5 million).
- Expansion of factory space and employment in the manufacture of non-traditional exports ($4 million).
- Continued assistance in improvement of elementary schools ($1.5 milllion).

JAMAICA

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
RESOURCE FLOWS *(In thousands of dollars)*			
Aid *			
Loans	70,714	82,365	19,776
Grants	24,632	23,386	131,458
Total AID	95,346	105,751	151,234
P.L. 480 **			
Title I	40,000	30,000	30,000
(of which Title III is)	(–)	(–)	(–)
Title II	55	386	–
Total P.L. 480	40,055	30,386	30,000
Total AID and P.L. 480	135,401	136,137	181,234

**AID levels represent actual and estimated expenditures*

***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	91,200	13,000	83,000	14,000	101,000	13,000
Rice	33,900	10,000	22,000	6,000	21,000	6,000
Feedgrains	102,400	12,500	73,000	8,000	85,000	9,000
Vegoil	6,300	4,500	2,000	2,000	4,000	2,000
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	233,800	40,000	180,000	30,000	211,000	30,000
Title II 1/						
Voluntary Agencies	500	55	3,500	386	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total	500	55	3,500	386	–	–
Total P.L. 480	234,300	40,055	183,500	30,386	211,000	30,000

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

JAMAICA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	23	21	21
PASA[b]	2	2	-
TOTAL	25	23	21

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	5	27	32	29	76	105	33	109	142
Regional[e]	46	29	75	44	62	106	10	10	20
TOTAL	51	56	107	73	138	211	43	119	162

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	-		-	20	20	-	20	20
Regional[e]	-	-		-	-		-	-	
TOTAL					20	20		20	20

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

JAMAICA

Development Overview

The Government of Jamaica (GOJ) is now in the fifth year of its economic recovery program. Although the GOJ has realized an impressive number of objectives, the foreign exchange crisis continues to be the major obstacle to development.

The long awaited upturn in the world market for Jamaican bauxite and alumina has not materialized. Rather, two of the island's five plants have closed and a third remains in operation under an agreement by which the GOJ is responsible for marketing the product. Foreign exchange earnings from this sector in 1985 will be at least $100 million below 1984 proceeds. Major revenues from bauxite/alumina have disappeared, probably permanently. Overall export performance, expected to improve by 20% in Jamaica FY 1984/85, actually increased by only 0.1%, due in part to the shortage of foreign exchange for imported inputs. Export proceeds are expected to decline 13% during the current fiscal year, as bauxite/alumina exports decline a further 25%. Debt service absorbed 49% of export earnings during Jamaica FY 1984/85, and its external debt at the end of March 1985 amounted to $3.4 billion. The GOJ entered into a second Paris Club debt rescheduling agreement in the summer of 1985. A total of $66 million was rescheduled, of which $47 million corresponded to obligations to the United States. Debt service is expected to average some 50% of export proceeds over the next three years.

Faced with this harsh reality, the GOJ has pushed ahead with its program of structural adjustment and policy reform. The exchange rate is now determined by a biweekly auction system. The official exchange rate has been effectively devalued by over 70% since November 1983. Such devaluation will make both efficient import substitution and export expansion more profitable for Jamaican producers and foreign investors. Quantitative restrictions and licenses have been removed from most imports. Price controls and subsidies have been eliminated on imported foodstuffs. An $8 million per year food stamp program has been initiated to cushion the shock of rising prices on the poor. The GOJ is currently taking steps to simplify the bureaucratic approval process for new investment, to implement a more equitable tax system, and to expand its program for privatization of publicly owned enterprises.

The social and political implications of its adjustment program, however, are becoming increasingly onerous for the GOJ. The majority of the population has experienced a decline in real income and quality of life. Previously sheltered domestic industries are struggling to adapt to harsh new realities. There have been cutbacks in the extensive, if inefficient, social services which were financed under the previous government with high income taxes, revenues from the bauxite levy and deficit spending. The GOJ has undertaken most of the difficult structural adjustments necessary to stabilize the economy, encourage private investment and improve Jamaica's competitive position in world markets. Now, the critical need is for results which demonstrate that the sacrifices imposed on the Jamaican people in the name of economic stabilization have been worthwhile. Clearly, the overriding development problem facing Jamaica in 1986 and 1987 is adjustment to the severe contraction of the economy brought about by the virtual collapse of its bauxite/alumina industry in 1985. The loss of export earnings from the mining sector has exacerbated the country's chronic foreign exchange shortage; the loss of jobs and major tax revenues will further depress the domestic economy. A number of observers anticipate a four to six percent decline in gross domestic product for the Jamaican fiscal year ending March 31, 1986.

Under these circumstances, A.I.D. and other major donors are focusing their assistance programs over the next two to three years, on mitigation of the contractionary effects of the loss of bauxite/alumina foreign exchange earnings and revenues, and reinforcement of the GOJ's commitment to proceed with full implementation of its recovery program.

U.S. Interests and Objectives

The United States maintains a strong interest in the economic and political stability of Jamaica based on geographic proximity, extensive trade and investment relationships, shared regional security concerns, and a common commitment to democracy. Jamaica occupies an important position in the Caribbean, particularly among the English-speaking countries. It is committed to private-sector-led economic development, and has the potential to benefit significantly from the trade and investment provisions of the Caribbean Basin Initiative (CBI).

The U.S. Government has consistently supported and reinforced the GOJ's resolve to achieve long-term economic growth along with a distributional pattern that spreads the benefits of such growth broadly across the entire spectrum of Jamaican society. The U.S. economic assistance program in Jamaica has been tailored to promote the achievement of this policy objective.

In the context of the present economic crisis, A.I.D. is concentrating on activities designed to stimulate much greater investment, particularly in the export sector, in an effort to cushion the impact and lessen the social and political consequences of what appears to be an inevitable economic contraction. The current favorable exchange rate and duty-free access to U.S. markets under the CBI constitute important incentives to prospective investors. The ongoing policy dialogue with the GOJ will stress U.S. support for positive GOJ achievements in its efforts to restore private sector confidence and increase that sector's role in the economy through: (1) continuation of the process of deregulation; (2) implementation of comprehensive tax reforms; (3) promotion of exports and investment; and (4) continuation of efforts in privatization. Continued substantial U.S. financial assistance to Jamaica over the next three to five years, including significant balance-of-payments support, is critical to any realistic hope for the eventual success of the GOJ's economic stabilization and recovery program.

A.I.D. Development Strategy

The principal objectives of A.I.D.'s revised strategy for FYs 1986 and 1987 are to assist the GOJ to: (1) consolidate the gains already made in structural adjustment and stabilization, and to employ the considerable resources at the government's disposal more effectively to produce tangible results; (2) minimize the contractions of domestic production and employment; and (3) ease the burden of adjustment for the most vulnerable segments of the population. A.I.D. proposes to maintain those elements of its strategy which relate most directly to long-term development, such as support for a strong private sector and increasing reliance on private market mechanisms rather than regulatory and administrative interventions to determine allocation of resources, while taking steps to ensure that immediate economic exigencies do not undermine the attainment of long-term goals. In other words, the program must now include A.I.D. financing for activities to induce change, which would have been self-financed in an environment of real growth, and for interventions to buttress deteriorating social services. The fundamental purpose of the strategy, however, remains intact: to deal with the underlying causes of the large gap between spending and production, and not merely to be a source of funds to support spending. The basic assumptions underlying this modified approach are: (1) additional, significant balance-of-payments assistance is required to support the GOJ's determination to carry out its full economic recovery program; (2) the social and political implications of the continuing decline in real incomes, quality of life, and availability of adequate social services for most Jamaicans could be devastating to the GOJ's long-range development program if not addressed in conjunction with continuing structural adjustment; and (3) A.I.D.'s development assistance (DA) portfolio can be better focused and utilized for quick-disbursing, near-term, priority activities.

Sustained levels of Economic Support Fund (ESF), and P.L. 480 resources for balance-of-payments purposes will be critical to avoid a major downward revision of medium to long-term economic objectives, and to permit A.I.D. to maintain its role in the policy dialogue arena. The uses of the local currency counterpart of these resources will complement the proposed change in focus of the overall program. Promotion of increased foreign and domestic export-oriented private investment will be a high priority. In the context of reduced and simplified bureaucratic requirements for prospective investors, A.I.D. will provide resources to increase the private sector's relative share of overall economic activity, and to support reform of tax policy and administration. Crop diversification, non-traditional exports, and increased domestic production will be the focus of the program in the agricultural sector. Employment-generating rehabilitation and expansion of inner city industrial and commercial properties will be undertaken. In the area of social services, A.I.D. will provide short term assistance for improvement of primary schools and continued support for both vocational and management education, family planning and primary health care delivery. In addition A.I.D. will assist the GOJ to define priorities and objectives for satisfying basic human needs, and to explore alternatives for delivery of essential services which involve greater private sector participation.

A.I.D. Program (FY 1985 and FY 1986)

A. Balance-of-Payments Support and Structural Adjustment. In view of the deteriorating economic situation, in FY 1985 A.I.D. supplemented the $65 million Production and Employment V loan project (532-0100) with a $15.5 million ESF grant to help to alleviate Jamaica's immediate foreign exchange needs. A.I.D. will provide further grants of $59.3 million in FY 1986. Under the terms of the FY 1985 ESF agreement, the GOJ has undertaken a positive program to accelerate foreign and domestic private investment, identified additional publicly owned enterprises for divestment and agreed to pursue further deregulation of agricultural exports. In FY 1986, A.I.D. will use ESF resources to reinforce the GOJ's economic stabilization efforts.

The P.L. 480 Title I program continues both to provide balance-of-payments support and to ensure a supply of basic foods. Self-help measures are crafted to support structural adjustment measures, particularly in the agricultural sector. The FY 1985 agreement included conditions related to compilation of updated land usage and conservation information, rehabilitation of vital prime land irrigation systems, and studies of consumption, expenditure and production data to determine the impact of food imports on domestic production. The results of these analyses will help the GOJ to refine its food self-sufficiency program to reduce dependence on imports. In FY 1986, self-help conditions will build upon the activities undertaken this year, particularly in the areas of land and water use and development of the local dairy industry. In negotiating the use of both P.L. 480 and ESF local currency counterpart, A.I.D. places priority on support for donor-financed development projects. Recommendations of an audit survey conducted in May 1985 have resulted in improved local currency monitoring and reporting performance.

B. Development Assistance.

1. Agriculture, Rural Development and Nutrition. In support of the GOJ's effort to increase both domestic and export agricultural production, A.I.D. initiated the $18 million Crop Diversification/Irrigation project (532-0123) in FY 1985. In its initial phase, the project will convert 5,000 acres of unutilized sugar lands to production of crops such as winter vegetables and ornamental horticulture. Land will be leased to joint ventures or individual investors, who will develop contractual marketing arrangements with small producers in the area. Diversification will result in an increase of over 1,000 full-time jobs and provide seasonal employment for approximately 40,000 additional persons. The ongoing $9.5 million Agroindustrial Development project (532-0081) and $10.8 million Agricultural Marketing project (532-0060) complement the diversification initiative by providing funding for feasibility studies and grading and packing facilities. The ongoing $12.5 million Agricultural Education project (532-0082) will employ the services of a U.S. Title XII institution to provide long-term technical assistance to the Jamaica College of Agriculture. Also, the $7 million Agricultural Research project (532-0128) will strengthen the country's agricultural research capability and enhance

the development, testing and delivery of improved agricultural technology appropriate to the Jamaican setting.

2. Health and Population Planning. An additional $2 million will be provided in FY 1986 through the Health Management Improvement project (532-0064) to finance short-term procurement of basic drugs and medicines, and to assist the GOJ to develop appropriate, change-inducing, longer-term strategies for addressing health needs and providing services in the context of reduced government budgetary resources. An FY 1985 evaluation recommended extension of the Population and Family Planning Services project (532-0069), but with increased focus on the critical areas of adolescent fertility, commercial contraceptive marketing and improved availability of voluntary family planning services. A.I.D. will amend the project to address more effectively these priority areas and will provide a further $1 million in FY 1986 to finance appropriate activities.

3. Education and Human Resources. To help the GOJ arrest the deterioration of its primary education system, A.I.D. provided initial funding for the $11.3 million Primary Education Assistance project (532-0126) in FY 1985. The project will focus on rehabilitation and maintenance of primary schools, provision of textbooks and greater community involvement in education, as well as proper maintenance of school facilities. The renovation component of the project will provide short-term employment opportunities for construction workers islandwide. Funding of $4.5 million will be provided under the FY 1985 and FY 1986 programs for the project. A.I.D. will continue to support a variety of activities in this sector to develop Jamaica's human resource base. The $13.4 million Basic Skills Training project (532-0083) assists the GOJ in its efforts to provide vocational skills training to increase the employability of unskilled workers, particularly school leavers, women and youth. The FY 1985 $350,000 Management Training operational program grant (OPG) (532-0084) enables two local, private management institutes to expand their services to small businesses. The $4 million University of the West Indies Management School Improvement project (532-0129), to begin in FY 1986, will upgrade the University's management faculty, curriculum and library and promote increased interaction with local and regional private management institutions. The $920,000 Cooperative Development and Training OPG (532-0180) assists the National Union of Cooperative Societies to address the need for administrative expertise and member education in the cooperative movement.

The Board of Revenue Assistance project (532-0095) has been exceptionally successful, and will be continued and expanded in FY 1986 with additional funding of $1 million. The project is addressing tax-related impediments to investment and savings and other inequities in the current Jamaica tax structure, and aims at expanding the tax base and reducing the level of income taxation.

The $3 million Voluntary Sector Development project (532-0085) has led to the establishment of a Jamaican United Way, which launched its first campaign in November 1985. This project will strengthen the institutional, fund-raising and service-delivery capabilities of local PVOs and will continue to be a channel for A.I.D. support to such organizations.

4. Selected Development Activities. The overall goal of the $21.2 million Private Development Bank project (532-0091) is to promote, develop and finance both new and expanding, privately owned ventures which contribute to Jamaica's economic recovery. The Bank has begun operations and is reviewing a number of loan applications. The National Development Foundation Expansion OPG project (532-0108) is expanding its successful program of loans and technical assistance to very small entrepreneurs, whose numbers are increasing as unemployment grows. Additional funding of $4.5 million in FY 1985 and $3 million in FY 1986 is programmed for the Technical Consultations and Training Grant project (532-0079). Future assistance under this grant will be aimed at the three key areas of export development, investment promotion and employment generation, and activities financed will be integrated closely into the overall objectives of the CBI. The Special Development Activities project (532-0029) provides small grants to community-based, self-help projects which benefit the poor.

In FY 1986 A.I.D. will begin the $15 million Inner Kingston Development project (532-0120). This project will address the multiple objectives of providing urgently needed factory space for a rapidly expanding non-traditional export sector, supporting an early expansion of employment opportunities, enhancing Kingston's attractiveness for investment, and improving the quality of life for low-income residents of the area. The increase in factory space will remove a major impediment to an early and sizeable expansion in manufactured exports to already identified markets.

The $900,000 Urban Sector Technical Assistance grant (532-0117) and the $650,000 Inner Kingston Employment OPG (532-0141), both initiated in FY 1985, are closely related to this project. The former will strengthen the GOJ's urban planning capabilities, and the latter supports the initiatives of a consortuim of private businesses and institutions, formed to foster industrial/commercial renovation and development in a 100-square-block area of the central city.

The Low-Cost Shelter Development project (532-0067) will receive $400,000 in FY 1986 to finance further technical assistance to public and private sector shelter institutions involved in the management and implementation of a $40 million Housing Guaranty loan aimed at providing affordable housing for lower and middle income groups.

5. A.I.D. will use $859,000 of Program Development and Support funds in FY 1986, for project design activities and specific sectoral analyses.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Jamaica in FY 1985 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1985 to participants from Jamaica in the fields of agriculture, business, economics, elementary and vocational education, health and population, housing and urban development, and management.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to Jamaica are as follows:

Types of Goods	Value
U.S. Industrial Inputs	$18.42 million
U.S. Capital Goods	$12.74 million
U.S. Agricultural Inputs	$10.95 million
U.S. Spare Parts	$ 7.89 million
Total	$50.00 million

C. Local currency associated with A.I.D. assistance to Jamaica was allocated by A.I.D. and the Government of Jamaica for the following uses in FY 1985. (There was a total of $13.8 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $97.7 million was added during FY 1985.)

Education and Human Resources Development	$52.87 million
Rural Development	$26.07 million
Infrastructure	$14.66 million
Health, Nutrition, and Population	$ 5.78 million
Total	$99.38 million

D. Reprogramming of funds for Jamaica during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

($ 000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1985 Obligations	95,500	8,005	1,638	244	-	7,048	8,565	70,000
- Actual FY 1985 Obligations	114,550	15,555	2,138	244	-	7,048	8,565	81,000

E. Funds and Programs provided to Jamaica in FY 1985 through non-governmental as contrasted to governmental channels:

	Non-governmental	Government of Jamaica
DA	$8.323 million (25%)	$25.227 million (75%)
ESF	-0-	$81.000 million (100%)
P.L. 480 Title I	-0-	$40.000 million (100%)
P.L. 480 Title II	$4.000 million (100%)	-0-
Total	$12.323 million (8%)	$146.227 million (92%)

Requested Year Program (FY 1987)

A.I.D. proposes $100 million in ESF and $23 million in DA resources in FY 1987 to continue the projects described above under the FY 1985 and FY 1986 program, and to begin three new projects.

A. Balance-of-Payments Support and Structural Adjustment. A.I.D. is requesting $100 million of further ESF grant balance-of-payments assistance to alleviate the severe shortage of foreign exchange and support the GOJ's structural adjustment program. PL 480 assistance of $30 million is requested to assure adequate supplies of essential food items such as wheat, corn, rice and edible oils. PL 480 self-help measures in FY 1987 will focus on activities designed to increase Jamaica's ability to feed its own people.

B. Development Assistance

1. Agriculture, Rural Development and Nutrition. Some $8 million is requested. Incremental funding of $5 million is requested for the Crop Diversification/Irrigation project (532-0123), and $1 million for the Agricultural Research project (532-0128). Both projects are directed at maximizing the productive use of Jamaica's land resources. Based on analytical work now being completed under the $600,000 Hillside Assessment grant project (532-0113), A.I.D. will initiate a $10 million Hillside Agriculture project (532-0101) in FY 1987 with $1.8 million. Approximately 85% of Jamaica's land is hill land, and sound management of hillside resources is critical to the island's economic development. The project will benefit small farmers and involve the use of private and voluntary organizations (PVOs).

2. Health and Population Planning. Additional funding of $3 million is requested, including $1.5 million for the Health Management Improvement project (532-0064), and $1.5 million for the Population and Family Planning Services project (532-0069). The health funds will be used to complete short-term pharmaceutical procurement and support the GOJ's alternative health care financing initiative. The family planning increment will provide continued assistance to the National Family Planning Board in implementation of its program.

3. Education and Human Resources Development. Some $4 million is requested. The Primary Education Assistance project (532-0126) will require $1.5 million in 1987 for school rehabilitation and provision of basic textbooks. A further $700,000 is requested for the University of the West Indies Management School Improvement project (532-0129), as well as $750,000 for long-term technical assistance to the Basic Skills Training project (532-0083). The Board of Revenue Assistance project (532-0095) will require $1.5 million for technical assistance and procurement of data processing equipment.

4. Selected Development Activities. Additional funding of $8 million is requested. An additional $3.4 million is required for the Technical Consultations and Training project (532-0079) to finance consultancies,

training and block grants to private sector organizations. Further funding of $4 million is requested to finance redevelopment and employment generation in the core city under the Inner Kingston Development project (532-0120). Another $300,000 is needed for the Low-Cost Sheltor Development project (532-0067) for technical assistance in the implementation of Housing Guaranty loans and comprehensive urban upgrading activities. The Special Development Activities project (532-0029) will need $100,000 for small grants to community-based, self-help organizations.

5. Program Development and Support funding of $580,000 is requested for project design and evaluation activities.

MISSION DIRECTOR: William Joslin

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	532-0000	55	C	---	---	1,622	854	---	763	---	---
INTEGRATED RURAL DEVELOPMENT		G	532-0046	77	80	1,990	1,990	1,990	1,954	---	6	---	---
FISH PRODUCTION SYSTEM DEVELOPMENT		G	532-0059	79	82	1,175	1,175	968	917	---	---	---	---
FISH PRODUCTION SYSTEM DEVELOPMENT		L	532-0059	79	82	2,240	2,240	---	---	---	---	---	---
AGRICULTURAL MARKETING		L	532-0060	31	82	10,800	10,800	10,800	4,320	---	3,100	---	2,700
AGROINDUSTRIAL DEVELOPMENT		L	532-0081	92	84	9,489	9,489	9,489	1,303	---	2,995	---	3,382
AGRICULTURAL EDUCATION		G	532-0082	84	35	3,000	3,000	3,000	17	---	941	---	845
AGRICULTURAL EDUCATION		L	532-0082	34	35	9,500	9,500	9,500	---	---	3,333	---	2,724
VOLUNTARY SECTOR DEVELOPMENT		G	532-0085	33	36	575	575	575	---	---	---	---	278
PRIVATE DEVELOPMENT BANK		G	532-0091	34	88	200	200	100	---	---	---	---	100
PRIVATE DEVELOPMENT BANK		L	532-0091	34	38	5,000	5,000	2,500	---	---	---	---	1,000
SMALL FARM PRODUCTION AND MARKETING (OPG		G	532-0097	83	85	690	660	660	290	---	150	---	170
HILLSIDE AGRICULTURAL RESTRUCTURING	*	G	532-0101	87	89	---	10,000	---	---	---	---	1,800	800
JAFD TECHNICAL SUPPORT AND INVESTMENT		G	532-0105	85	85	1,000	1,000	1,000	---	---	400	---	500
AGRICULTURAL COOPERATIVE DEVEL.		G	532-0107	84	85	500	500	500	45	---	255	---	200
HILLSIDE ASSESMENT		G	532-0113	85	85	600	600	600	---	---	354	---	206
CROP DIVERSIFICATION		G	532-0123	85	89	13,000	13,000	1,200	---	4,000	1,164	5,000	4,768
CROP DIVERSIFICATION		L	532-0123	85	89	5,000	5,000	4,800	---	---	3,360	---	760
AGRICULTURAL RESEARCH		G	532-0128	86	90	---	7,000	---	---	500	---	1,000	1,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	532-9103	56	C	---	---	---	---	220	600	200	400
TOTAL FOR ACCOUNT GRANTS LOANS						64,759 22,730 42,029	81,729 39,700 42,029	49,304 12,215 37,089	10,200 4,077 6,123	4,720 4,720 ---	17,426 4,638 12,788	8,000 8,000 ---	19,833 9,267 10,566
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	532-0000	55	C	---	---	166	121	---	---	---	---
POPULATION AND FAMILY PLANNING SERVICES		G	532-0069	82	85	5,711	10,711	5,706	3,169	1,000	1,785	1,470	1,635
PRIVATE SECTOR PROM. OF FAMILY PLAN- OPG		G	532-0122	85	85	248	248	248	25	---	160	---	63
PROGRAM DEVELOPMENT AND SUPPORT		G	532-9104	56	C	---	---	---	---	30	60	30	30
TOTAL FOR ACCOUNT GRANTS LOANS						5,959 5,959 ---	10,959 10,959 ---	6,120 6,120 ---	3,315 3,315 ---	1,030 1,030 ---	2,005 2,005 ---	1,500 1,500 ---	1,728 1,728 ---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	532-0000	55	C	---	---	318	292	---	71	---	---
HEALTH MANAGEMENT IMPROVEMENT		G	532-0064	81	88	1,017	6,017	1,017	122	2,000	1,200	1,450	2,800
HEALTH MANAGEMENT IMPROVEMENT		L	532-0064	81	88	8,554	8,554	8,554	2,426	---	1,300	---	1,828
VOLUNTARY SECTOR DEVELOPMENT		G	532-0085	83	86	574	574	574	---	---	---	---	574
PROGRAM DEVELOPMENT AND SUPPORT		G	532-9108	56	C	---	---	---	---	109	120	50	60
TOTAL FOR ACCOUNT GRANTS LOANS						10,145 1,591 8,554	15,145 6,591 8,554	10,463 1,909 8,554	2,840 414 2,426	2,109 2,109 ---	2,691 1,391 1,300	1,500 1,500 ---	5,262 3,434 1,828

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: JAMAICA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	532-0000	55	C	---	---	3,112	2,632	---	480	---	---
BASIC SKILLS TRAINING	G	532-0083	83	88	4,900	4,900	2,750	716	400	300	---	850
BASIC SKILLS TRAINING	L	532-0083	83	88	8,500	8,500	8,500	369	---	2,100	---	2,200
MANAGEMENT TRAINING	G	532-0084	85	85	350	350	350	95	---	230	---	50
VOLUNTARY SECTOR DEVELOPMENT	G	532-0085	83	86	1,621	1,621	1,400	440	221	961	---	220
PARTNERS VOL TECH ASST SERVICE - OPG	G	532-0086	82	83	500	500	500	265	---	133	---	100
RURAL SERV PROJ FOR SPEC CHILDREN - OPG	G	532-0094	82	83	500	500	500	417	---	84	---	---
BOARD OF REVENUE ASSISTANCE	G	532-0095	83	89	---	6,000	---	---	1,000	---	1,500	1,000
BOARD OF REVENUE ASSISTANCE	L	532-0095	83	89	4,552	4,552	4,522	2,449	---	1,659	---	414
BROTHER'S BROTHER FOUNDATION OPG	G	532-0106	83	87	300	700	300	277	200	180	200	180
PRIMARY EDUCATION ASSISTANCE	G	532-0126	85	89	11,300	11,300	3,000	---	1,000	2,000	1,500	2,500
MANAGEMENT SCHOOL IMPROVEMENT	G	532-0129	86	89	---	4,000	---	---	500	---	700	700
COOPERATIVE DEV. AND TRAINING - OPG	G	532-0180	85	86	720	720	500	166	220	360	---	194
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9105	56	C	---	---	---	---	150	400	100	300
TOTAL FOR ACCOUNT					33,243	43,643	25,434	7,847	3,691	9,387	4,000	8,708
GRANTS					20,191	30,591	12,412	5,009	3,691	5,628	4,000	6,094
LOANS					13,052	13,052	13,022	2,838	---	3,759	---	2,614
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	532-0000	55	C	---	---	2,144	1,555	---	589	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SPECIAL DEVELOPMENT ACTIVITIES		G	532-0029	66	C	---	---	1,164	1,064	100	150	100	100
ENERGY SECTOR ASSISTANCE		G	532-0065	81	85	300	300	300	53	---	129	---	118
ENERGY SECTOR ASSISTANCE		L	532-0065	81	85	8,400	8,400	8,400	2,593	---	5,539	---	268
LOW-COST SHELTER DEVELOPMENT		G	532-0067	82	88	985	1,900	985	857	400	349	300	400
TECHNICAL CONSULTATIONS AND TRAINING		G	532-0079	81	87	5,500	11,900	5,500	973	3,000	3,000	3,400	4,000
VOLUNTARY SECTOR DEVELOPMENT		G	532-0085	83	86	230	230	230	---	---	45	---	185
PRIVATE DEVELOPMENT BANK		G	532-0091	84	88	1,200	1,200	800	112	100	393	---	225
PRIVATE DEVELOPMENT BANK		L	532-0091	84	88	15,000	15,000	10,000	---	---	---	---	4,500
NATL DEV. FOUNDATION EXPANSION OPS		G	532-0108	84	85	470	470	470	238	---	153	---	79
URBAN SECTOR TECHNICAL ASSISTANCE		G	532-0117	85	85	900	900	900	---	---	401	---	300
INNER KINGSTON IMPROVEMENT FOUNDATION		G	532-0120	86	89	---	15,000	---	---	3,500	---	4,000	3,000
INNER KINGSTON EMPLOYMENT		G	532-0141	85	85	650	650	650	---	---	550	---	100
PROGRAM DEVELOPMENT AND SUPPORT		G	532-9106	56	C	---	---	---	---	350	700	200	400
TOTAL FOR ACCOUNT						33,635	55,950	31,543	7,445	7,450	11,998	8,000	13,675
GRANTS						10,235	32,550	13,143	4,852	7,450	6,459	8,000	8,907
LOANS						23,400	23,400	18,400	2,593	---	5,539	---	4,768
DISASTER RELIEF ASSISTANCE													
DISASTER ASSISTANCE		G	532-DROC			---	---	10	---	---	10	---	---
TOTAL FOR ACCOUNT						---	---	10	---	---	10	---	---
GRANTS						---	---	10	---	---	10	---	---
LOANS						---	---	---	---	---	---	---	---

ECONOMIC SUPPORT FUND

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: JAMAICA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TECHNICAL CONSULTATIONS AND TRAINING		G	532-0079	79	87	12,960	12,960	12,960	8,032	---	2,900	---	2,028
PRODUCTION AND EMPLOYMENT V		G	532-0100	85	86	34,500	34,500	15,500	15,500	19,000	19,000	---	---
PRODUCTION AND EMPLOYMENT V		L	532-0100	85	86	65,000	65,000	65,000	65,000	---	---	---	---
JAMAICA YOUTH CONFERENCE	*	G	532-0110	84	85	1,000	1,000	1,000	1,000	---	---	---	---
PRODUCTION AND EMPLOYMENT VI		G	532-0111	86	86	39,000	40,334	---	---	40,334	40,334	---	---
PRODUCTION AND EMPLOYMENT VII	*	G	532-0124	87	87	---	100,000	---	---	---	---	100,000	100,000
TOTAL FOR ACCOUNT						152,460	253,794	94,460	89,532	59,334	62,234	100,000	102,028
GRANTS						87,460	188,794	29,460	24,532	59,334	62,234	100,000	102,028
LOANS						65,000	65,000	65,000	65,000	---	---	---	---
TOTAL FOR COUNTRY						300,201	461,220	217,334	121,179	79,334	105,751	123,000	151,234
GRANTS						148,166	309,185	75,269	42,196	79,334	82,365	123,000	131,458
LOANS						152,035	152,035	142,065	78,983	---	23,386	---	19,776

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title Hillside Agriculture Development		Funding Source	AG, RD & N 1,800	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 _ 1,800		Life of Project Funding 10,000
Number 532-0101 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 90	Estimated Completion Date of Project FY 92

Purpose: To increase agricultural production, rural income and employment in selected upland watersheds through the promotion of perennial cropping systems linked to agro-processing and marketing.

Project Description: Approximately 71% of the land of Jamaica is classified as hill lands, the majority of which represent shallow, highly erodable soils. Current cropping systems with emphasis on annuals are resulting in excessive soil losses, increased downstream siltation, decreased dry season stream flow and lower quality of water. If this situation is permitted to continue, the hillsides of Jamaica will be denuded of top soil in a few decades and the threat to economic development and food security will be overwhelming.

Serious efforts are underway to develop a rational strategy for the hillsides. Under the proposed project one or more watersheds critical to realization of downstream benefits on the southern plain will be selected for development. Activities are likely to include: (1) production by small commercial farmers of perennial tree crops that can be linked to agro-processing and marketing for both export and domestic sales; (2) agro-forestry activities in a farming systems approach on the steeper slopes with species useful for fuelwood, charcoal, fodder, poles and lumber; (3) establishment of nurseries by private individuals or groups for the production of seedlings, and (4) development of linkages with existing processing and marketing organizations.

The project will involve producer groups, processors and marketing entities. Where possible, linkages will be made with Producer Marketing Organizations and Cooperatives organized through the on-going Agricultural Marketing project and the Agro 21 program, which is actively promoting technology transfer and export market development. Participation of Peace Corp Volunteers to work with selected groups will be sought.

Relationship of Project to A.I.D. Country Strategy: The project is consistent with three priority elements of A.I.D. strategy: (1) increase in production and productivity, (2) involvement of the private sector (the farmer being the epitome of entrepreneurship), and (3) the transfer of technology.

Host Country and Other Donors: The Government of Jamaica is seeking the participation of international donors for a series of interelated programs to improve watershed management and water supplies. Although all major donors are concerned about the problem, none has yet designed an affordable, replicable project. These include the Inter-American Development Bank, World Bank, U.N. Food and Agricultural Organization and the Government of Norway.

Beneficiaries: The immediate beneficiaries will be the agricultural producers and workers in the selected watersheds. Lowlands producers and the general public will benefit from more reliable water supplies and less destruction from flooding.

Major Outputs:	All Years
o Rational land use patterns adopted by 65% of participating farmers	x
o Linkages established between producers, marketers and 10 agro-processors	x
o Demonstration/research/training units established	12

A.I.D. Financed Inputs:	Life-of-Project ($000)
Technical Assistance	2,800
Training and Research	3,400
Commodities	1,300
Project Management & Evaluation	1,350
Other	1,150
Total	10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1985	---	---	---	
Estimated Fiscal Year 1986	---	---		
Estimated Through September 30, 1986	---	---	---	
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,800	8,200	10,000	

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Production and Employment VII	100,000 ESF			FY 87 100,000	Life of Project Funding 100,000	
Number 532-0124 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY 88

Purpose: To provide balance of payments support to the Government of Jamaica (GOJ) required for its economic recovery program.

Project Description: The GOJ's economic recovery program has been set back by the unexpected deep and long depression of the world market for bauxite and alumina, until recently the nation's major foreign exchange earner. Although the world economic recession has recently abated, the international market for bauxite/alumina continues to be depressed, and Jamaican producers have dramatically curtailed production. The foreign exchange provided through this economic stabilization program will assist Jamaica in mitigating the adverse effects of the collapse of bauxite/alumina, while intensive efforts continue to develop non-traditional exports. The GOJ has undertaken significant policy reforms to assure that external assistance does not merely finance consumption. To encourage domestic production, promote exports and reduce the cost of the public sector to the economy, Government price controls have been removed, quantitative import restrictions eliminated, a floating exchange rate has been adopted, and large reductions in the public work force have been made. In the coming year it is expected that a comprehensive tax reform (already presented to the Parliament) will be adopted, which will spur greater efficiency in both the public and private sectors. Under this ESF program, the GOJ will contribute an equivalent amount of local currency to finance local costs of jointly agreed upon, development-oriented public sector activities. The GOJ will also pledge to make available an equivalent amount of dollars to finance the importation of U.S. machinery, raw materials and spare parts required to help restore production and employment.

Relationship of Project to A.I.D. Country Strategy: This balance of payments program is the key element of A.I.D.'s strategy of assisting Jamaica to achieve economic stabilization and structural reform. In light of Jamaica's critical economic situation, such assistance takes on even greater importance in supporting continued reform of the Jamaican economy.

Host Country and Other Donors: A.I.D., the International Monetary Fund, and the World Bank are the principal donors providing balance of payments support to the GOJ, and are in agreement about the nature of the macro-economic problem and the prescription for its cure. A.I.D. will continue to coordinate closely with the other major donors in implementing the balance of payments adjustments support program.

Beneficiaries: This assistance is aimed at alleviating Jamaica's persistent, severe foreign exchange shortage, tied to a series of policy reforms designed to spur economic reorientation toward non-traditional exports. It is not feasible to identify specific target beneficiaries. Insofar as the program has the desired impact on the economy, it will benefit the entire population of the island, including the unemployed, consumers and small producers.

Major Outputs:	All Years
- Policies for encouraging private investment	x
- Reduction in role of public sector in the economy	x
- Economic stability	x

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Balance of payments/budget support	
Total	100,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30 1985	---	---	---
Estimated Fiscal Year 1986	---	---	---
Estimated Through September 30, 1986	---	---	---
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	100,000	---	100,000

Principal Contractors or Agencies

AID 370-7 (11-85)

CARIBBEAN REGIONAL

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CARIBBEAN REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	5,335	2,300	-	-	-	3,035	-	-
Grants	52,300	5,644	2,130	3,450	4,999	4,949	31,128	-
Total	57,635	7,944	2,130	3,450	4,999	7,984	31,128	
1986								
Loans	4,000	-	-	-	-	-	4,000	-
Grants	50,772	10,400	1,700	1,400	7,100	9,000	21,172	-
Total	54,772	10,400	1,700	1,400	7,100	9,000	25,172	
1987								
Loans	12,500	-	-	-	-	5,000	7,500	-
Grants	58,334	12,434	700	1,200	9,700	6,800	27,500	-
Total	70,834	12,434	700	1,200	9,700	11,800	35,000	

FY 1987
PROGRAM HIGHLIGHTS

- Support to the private sector, including investment promotion, export promotion, export development, assistance to small businesses, management training, construction of factory shells, and development of support institutions ($16.8 million).
- Support for infrastructure necessary to attract new investment ($15 million).
- Improvement of public sector planning, policy analysis, and public management ($15 million).
- Improvement of regional agricultural institutions, and expansion of agricultural production for export markets ($11.1 million).

CARIBBEAN REGIONAL

RESOURCE FLOWS
(In thousands of dollars)

Program	FY1985 (Actual)	FY1986 (Estimated)	FY1987 (Proposed)
Aid *			
Loans	6,858	14,920	18,012
Grants	53,867	63,401	53,264
Total AID	60,725	78,321	71,276
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480			
Total AID and P.L. 480	60,725	78,321	71,276

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY1985 (Actual)		FY1986 (Estimated)		FY1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government	–	–	–	–	–	–
Title II Total						
Total P.L. 480						

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

CARIBBEAN REGIONAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	33	30	30
PASA[b]	–	–	–
TOTAL	33	30	30

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	5	75	80	5	100	105	23	101	124
Regional[e]	2	34	36	6	100	106	19	116	135
TOTAL	7	109	116	11	200	211	43	217	259

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	6	6	–	3	3	–	3	3
Regional[e]	–	–		–	–		–	–	
TOTAL		6	6		3	3		3	3

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

CARIBBEAN REGIONAL

Development Overview

Small insular states present unusual development problems. Many of their natural handicaps of geography, limited resource endownment and scale cannot be adequately addressed by donor assistance. The challenge is to foster open, export-oriented economic activity and encourage regional cooperation, complementary development patterns, and efficient use of resources within these constraints.

While the six democratic, English-speaking, less developed countries (LDCs) of the Eastern Caribbean[1] vary considerably among themselves, the following constraints to rapid growth apply more or less uniformly. Infrastructure development is incomplete, and that which has been developed is not well maintained. Diseconomies of small scale make production for the domestic market very expensive; consequently, domestic producers lack both knowledge and scale to easily penetrate distant, non-traditional foreign markets. The natural resource base, except for tourism, is quite limited. High output, low-cost, non-traditional agricultural production has yet to arrive in the Eastern Caribbean. There are few links between foreign investors and domestic enterprises and growers. Public management capacity is poorly developed. Public policies have not kept pace with rhetoric that espouses private sector-led development. Tax structures, fiscal policies, investment incentives, licensing requirements and import and export restrictions do not yet stimulate maximum growth from the private sectors. The human resource base, while willing, is undertrained, both at the worker and management levels. As a result, structural problems affect each sector in the island economies, yielding unsatisfactory rates of growth. The key effect of this is high unemployment (around 25%, and up to 50% among youth), a source of potential political and social instability.

In the face of these constraints, a major effort is under way to stimulate export-led, private sector growth and employment generation. The most promising approach is to strengthen and expand the three key productive sectors: light industry, tourism and agriculture. Opportunities provided by the Caribbean Basin Initiative (CBI) are crucial to such an approach, but considerable work remains to be done to position the Eastern Caribbean states to successfully take advantage of these opportunities. Development of all three sectors requires improved and better maintained infrastructure (such as transportation facilities, public utilities, and factory shells) and a stronger capacity to develop and implement sound public policy. Improved infrastructure is essential to attract investment and lower costs. Policy reforms, such as realignment of tax structures, improvement of investment incentives, reduction of market restrictions and price controls, and structural reforms such as privatization of state-controlled enterprises, would contribute significantly to private sector growth. To attract increased investment in export-oriented industries, in addition to improved infrastructure, a redirection of tax and investment policies is needed, combined with continued investment promotion efforts and improved support services. Additionally, provision of technical assistance and training and improved credit availability for small enterprises, are required to spur development of indigenous enterprises. In order for tourism to expand, improved infrastructure, training, upgraded marketing information and promotion are required. For growth in agriculture, development of non-traditional export products is needed, supported by improved research, extension, and marketing services. Attraction of investors with established market connections and opening these market channels to local producers will be an important element of this effort.

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[1] Antigua, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines.

U.S. Interests and Objectives

The United States has a strong interest in promoting free and democratic political and economic institutions, particularly among such close neighbors as the Eastern Caribbean states. The English-speaking Eastern Caribbean offers both opportunity and challenge in that regard. The six LDCs are all functioning democracies and inheritors of an abiding democratic tradition. Their economies are generally market-directed rather than centrally controlled. Their political and economic orientation is toward the Western democracies. However, all this is threatened by inadequate economic growth and concomitant high unemployment, with potential for serious social and political instability. While democratic institutions are well-rooted, they are not impregnable, as Grenada demonstrated.

Key to the preservation of U.S. interests and to avoidance of such threats as occurred in Grenada are social and economic stability and democratic development. Crucial to stability and development is satisfaction of popular aspirations, which will require increased investment, production and exports, along with expanded employment. U.S. development objectives for the region, therefore, are: (1) to promote economic growth as measured by significant improvement in gross domestic production and employment (GDP), led by export earnings, (2) to strengthen free political institutions and environments in which private economies flourish, (3) to foster economic self-reliance, and (4) to support regional institutions when they help achieve the first three objectives. The CBI, and an economic assistance program designed to enhance the capacity of the Eastern Caribbean states to take advantage of its opportunities, provide the major tools for achievement of the objectives.

A.I.D. Development Strategy

A.I.D.'s development strategy for the region supports restructuring of the economic environment to better promote export-led and employment-generating private sector growth. A.I.D. programs are directed primarily towards the six Eastern Caribbean LDCs and will focus resources and policy dialogue on three key productive sectors with the most promise for growth: (1) light manufacturing and enterprise development to attract export-oriented and to increase the productive capacity of indigenous enterprises; (2) tourism to increase foreign exchange and employment-generating capacity through growth in the tourist industry; and (3) agriculture to develop, produce and export increasing quantities of diversified agricultural commodities for commercial markets. With achievement of strategic objectives, A.I.D. estimates that for the period 1985 - 1990, there will be an average annual GDP growth rate of

4.7%, and 3.5% annual growth in employment. Exports and foreign exchange earnings are targeted to increase an average of 7.8% per year.

Growth in manufacturing is constrained by the limited ability to attract more foreign and local investment and underdeveloped indigenous private sectors. To maximize growth in manufacturing, given the small domestic markets and limitations of local entrepreneurial expertise and capital, the first strategy objective is to attract enclave manufacturing enterprises, building upon the opportunities offered by the CBI. Foreign manufacturers bring their own market access, technology, management and operating capital, and have a key role to play as engines of growth and sources of employment. The second objective is to strengthen the development of indigenous enterprises, which can expand in response to increased demand from the foreign exchange earning sectors (enclave manufacturing, tourism and export agriculture) and the domestic economy.

Tourism is an important foreign exchange earner and employer, with considerable potential for expansion. A.I.D.'s contribution to tourism development will be primarily through our infrastructure development, maintenance activities, and training programs.

Growth in agriculture is constrained by the continued reliance on a few traditional export crops which have experienced declining or uncertain world markets. Profit margins that were sheltered by the security of protected market places have been eroded by declining real prices, increasing factor costs, substitution for primary tropical products and currency fluctuations. The strategy objective is to diversify into other high value, high quality agricultural products with potential for income, export and employment growth. To date, marketing has been a major drawback, with many prospects withering because of inadequate marketing, packaging and shipment schedules. To be fully exploited, the agricultural potential of the islands must be carefully crafted to fit market windows, provide specialized products and make rapid responses to changes in international conditions. The best developers have proven to be agribusiness companies with their own established channels of market access. A second constraint has been the small farmers' inadequate knowledge and experience with modern agricultural methods. A.I.D.'s strategy in agriculture is to support efforts: (1) to attract foreign investors who have market access, technology, and management skills; (2) to test and adapt production practices to the circumstances of the Eastern Caribbean; and (3) to establish marketing channels and technical assistance for local production. A.I.D. will also continue to bolster institutional capacity in research and extension, credit, technology transfer, farmer organization, marketing, land tenure, and divestiture.

While the A.I.D. strategy is oriented toward the private sector, public sector policy and performance are major factors in setting the context within which all the productive sectors must function. Inappropriate public policies, including tax structures, investment incentives and procedures, licensing requirements, and import/export restrictions, as well as continued state control of some productive enterprises, constrain productive sector growth. Eastern Caribbean governments are generally oriented toward private sector-led growth and receptive to constructive change in public policy and practices, but are constrained by insufficient numbers of well trained public managers to develop such policies and implement such changes. In implementing policies involving economic restructuring, they are also, in some cases, limited by inadequate financial resources. A strategy objective is to assist governments in developing and implementing public policy conducive to vigorous private sector growth in all the productive sectors. A.I.D. will direct resources to improve public policies and management in the LDCs as well as regional institutions. Program interventions will include technical assistance in economic planning and private-sector-led strategy development, training for public officials, and institutional strengthening of national and regional institutions to assist governments with policy studies and recommendations. Funding will be made available to implement economic restructuring plans, developed through this effort, when appropriate.

A.I.D. Program (FY 1985 and FY 1986)

To implement the strategy, beginning in FY 1986, the A.I.D. program will be progressively consolidated into four mutually-reinforcing program clusters: (1) private sector-led productive investment in manufacturing and tourism development; (2) high impact agricultural development; (3) infrastructure expansion and maintenance systems development; and (4) public and private management and institutional development. These program clusters are designed to focus resources, concentrate impact, promote effective management and achieve targets for the key productive sectors. Each cluster will consist of several related program components designed to address a number of constraints to export-oriented growth. The clusters are interrelated and mutually reinforcing. The first two clusters are sector-specific, but with close interlinkages (e.g., agriculture can feed into manufacturing and tourism). The last two clusters, which aim to upgrade infrastructure and improve economic policy, will benefit all three productive sectors.

In FY 1985, $57.6 million was obligated, consisting of $26.5 million in Development Assistance (DA) and $31.1 million in Economic Support Funds (ESF). Of the latter figure, $11.1 million was assistance to Grenada. In FY 1986, $54.8 million is programmed, consisting of $29.6 million in DA and $25.2 million in ESF. In FY 1985, A.I.D. conducted a comprehensive review of its program which resulted in a significant redirection of the regional strategy, more tightly focusing our efforts on development of the three key productive sectors. Central to this is the consolidation of projects into the four program clusters noted above. In FY 1986, A.I.D. will begin the consolidation process by initiating two major cluster projects, one in agriculture and one in infrastructure, and by moving to more closely integrated management and design of activities in the other two program clusters.

1. Private Sector-Led Productive Investment in Manufacturing and Tourism Development. A total of $31.5 million (representing 28% of FY 1985 and FY 1986 DA and ESF resources) is programmed for direct support to the private sector. Projects will assist private enterprise in expanding exports and increasing employment by: (1) encouraging potential investors to set up operations in the region; (2) upgrading managerial and technical skills; (3) strengthening regional private sector support institutions; and (4) supporting the expansion of the indigenous small business sector.

Education and Human Resources Development. Given the strong executive branch and congressional emphasis on expansion of training, and the needs outlined in the strategy section, the Regional Development Training II project (538-0087) will be considerably expanded, providing additional training for private and public managers and technicians. Also, A.I.D. will initiate the Regional Management Training Pilot project (538-0148) which will provide short-term management training to senior-level managers and will identify the most suitable institutional arrangement for a possible follow-on project.

Selected Development Activities. The Private Sector Industry Infrastructure project (538-0088) provides credit to private developers for factory shells, while the Investment Promotion and Export Development (IPED) project (538-0119) provides technical assistance and investor search services to promote investments in export-oriented businesses and tourism. As a direct result of these projects, 26 new investments already have been negotiated with foreign producers, generating several thousand jobs. In FY 1986, IPED will be amended to expand export promotion assistance and to add assistance for privatization of state-owned entities and continual evaluation of our overall private sector program.

Several regional institutions are being strengthened to assist the Caribbean private sector. The Caribbean Financial Services Corporation project (538-0084) is providing an increasing flow of loans to promising enterprises. (This project also received Agriculture, Rural Development and Nutrition loan funds in FY 1985.) The Caribbean Association of Industry and Commerce, under the Private Sector Investment Assistance project (538-0043), has expanded its membership from 12 to 18 islands and is assisting businesses with a wide array of services and training activities. With assistance from a U.S. private and voluntary organization (PVO), under the Caribbean Conference of Credit Unions project (538-0135), with an indigenous PVO is increasing its services to members. U.S. and indigenous PVOs have also been effective in providing assistance to small businesses. In FY 1985, under the National Development Foundation Assistance project (538-0136), A.I.D. provided a grant to assist five National Development Foundations (NDFs) which are providing technical assistance, credit, and training to local entrepreneurs. In FY 1986, based on experience gained from working with NDFs, A.I.D. will expand assistance to indigenous small- and medium-sized businesses through the Small Enterprise Assistance project (538-0133). This project will strengthen regional and indigenous supporting institutions' capacity to provide financial, technical, and marketing assistance to small indigenous enterprises.

ESF. A.I.D. is also continuing to support the multi-donor Accelerated Private Sector Assistance project (538-0060), which has shown success in packaging private sector investment proposals for consideration by financial institutions.

2. Infrastructure Expansion and Maintenance Systems Development. Assistance in the amount of $31.9 million of ESF (over 28% of FY 1985 and 1986 resources) is programmed to provide and improve infrastructure necessary to attract increased investment and expand private sector production. In FY 1986, a major new initiative will be undertaken with the Regional Infrastructure Expansion and Maintenance Systems Development project (538-0138), which is

designed to create an infrastructure environment conducive to investment and production. Under this cluster project, a program of major infrastructure subprojects will be designed to support productive sector activities in the individual countries. Some potential examples are: development of a road opening the southeast peninsula of St. Kitts for tourism development, improvement of water systems in Antigua, and additional rehabilitation of roads and water systems in Grenada. Another major subproject will strengthen maintenance systems in the public works ministries in the region.

ESF funded projects are under way to improve infrastructure required for expansion of the key productive sectors, including: rehabilitation of roads in Dominica, Grenada, St. Lucia, and St. Vincent; installation of hydro power in St. Vincent; improvement of power generation and distribution in Dominica and Grenada; and rehabilitation of the water systems in Antigua and Grenada. Drilling activities will soon begin under the St. Lucia Geothermal project (538-0137) which is designed to establish the viability of geothermal power on that island.

3. High Impact Agricultural Development. A total of $13.6 million in Agriculture, Rural Development and Nutrition funds and $1 million of ESF (over 13% of FY 1985 and 1986 resources) is programmed to increase agricultural production by: introducing and expanding agricultural export crops; strengthening regional agricultural institutions; improving natural resource management; and encouraging structural adjustment in agriculture. In FY 1986, A.I.D. will initiate the High Impact Agriculture Marketing and Production (HIAMP) project (538-0140), which is designed to: (1) attract foreign investors with market access, technology and management skills; (2) test and adapt production practices to the Eastern Caribbean; (3) establish marketing channels for local production; and (4) extend new export crop production technologies to local producers, with assistance from U.S. PVOs working with cooperatives. Within this cluster project, several subprojects will be designed, such as expansion of cocoa, tree crops, winter vegetables, cotton, cut flowers, and development of mariculture. Under the St. Kitts-Nevis Resource Management project (538-0108), activities have begun to establish better soil and water management practices, including terracing, catchment ponds, well construction, and agro-forestry development. A.I.D. continues to bolster regional agricultural institutions which provide research and extension services. Under the Eastern Caribbean Farming Systems Research and Development project (538-0099), the Caribbean Research and Development Institute (CARDI) has successfully experimented with 40 new technologies. Under the Caribbean Agricultural Extension II (CAEP) project (538-0068) a Title XII consortium of U.S. universities is working with the University of the West Indies to improve extension services. Based on an evaluation which verified that farmers are benefiting from improved extension services, A.I.D. will extend this project in FY 1986. A.I.D. is encouraging coordination between CAEP and CARDI, to link research to extension and to tie both into the efforts to be initiated under HIAMP.

Through policy dialogue and agricultural structural adjustment projects, the environment for private producers has been improved. For example, there has been: (1) a 30% increase in private sector processing of export bananas in Dominica through the Banana Industry Rehabilitation project (538-0083); (2)

progress in titling all rural lands in St. Lucia through the St. Lucia Agricultural Sector Structural Adjustment project (538-0090); and (3) return of over 30% of government-owned estates in Grenada to private owners through the Agricultural Sector Revitalization project (543-0005).

4. Public Sector Management and Institutional Development. Assistance in the amount of $22 million (almost 20% of FY 1985 and FY 1986 DA and ESF resources) is programmed to assist Eastern Caribbean governments in improving economic and fiscal policies, strengthening public institutions, and upgrading public management.

Health. In health administration, the recently initiated Regional Pharmaceuticals Management project (538-0134) will reduce the costs of medicines by procuring them on a regional basis and by improving storage, inventory, and stock prediction. The Immediate Health Care project (538-0149) through an operational program grant with Project Hope will provide technical assistance and equipment to upgrade health services in Grenada.

ESF. The recently initiated Public Management and Policy Planning project (538-0096) will provide technical assistance to strengthen governments and regional institutions in policy analysis, decision making, and policy implementation. Complementing this in FY 1986, the Structural Reform Support project (538-0141) will be initiated to provide financial support for economic structural reforms. The Inter-Agency Resident Mission project (538-0089) has been assisting governments to establish debt and project monitoring, develop public sector investment programs, analyze policies, develop statistical data, and coordinate international donor activities. Under an FY 1985 amendment, indigenous institutions are being supported to absorb these functions.

A.I.D. is assisting the Government of Grenada in making the transition from a state-controlled to a private-sector-led economy. Economic stabilization grants have successfully assisted Grenada in: (1) relieving severe fiscal gaps; (2) development of an investment code; (3) removal of price controls, import restrictions, and exchange controls; (4) divestiture of parastatals; and (5) reduction of import monopolies. In FY 1985, A.I.D. provided $3 million in the Economic Structural Adjustment project (543-0016), and in FY 1986, $4 million will be provided through the regional Economic Support Grant project (538-0150) to support continuation of this transition.

5. Other Program Components. An additional $9.2 million of DA (over 8% of resources for FY 1985 and 1986) is programmed for projects addressing A.I.D. policy priorities outside the program clusters listed above. These include projects in family planning, housing, social and economic infrastructure, and training..

Population Planning. Two ongoing regional projects (implemented by a U.S. PVO) continue to encourage voluntary family planning practices: (1) the Population and Development project (538-0039), which supports private family planning associations, governments, and regional institutions providing family planning services, and (2) the Family Planning Information, Education, and Communication project (538-0116), which promotes family planning awareness through various media.

Education and Human Resources Development. In FY 1986, A.I.D. started the Caribbean Training Initiative project (538-0094) to help increase to 1,000 the number of people from the Caribbean trained in the United States, twice the number trained in FY 1985.

Selected Development Activities. Under the Barbados Private Initiatives in Housing project (538-0081), technical assistance in housing program management continues to be provided. The Special Development Activities projects (538-0005) and (ESF funded 543-0014), which supported 100 small self-help projects in FY 1985, will also continue.

6. Program Development and Support (PD&S). PD&S funding in all accounts ($4.2 million, or 4% of FY 1985 and FY 1986 resources) is being used for data gathering, project design and evaluation, studies, and assessments.

Section 709 Report of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance through the Caribbean Regional program in FY 1985 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1985 to participants from the Caribbean Region in the fields of agriculture, business, education, health, and management.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to Grenada (the only Carribean Regional country which had such a program in FY 1985) are as follows:

Types of Goods	Value
U.S. Food Products	$1.705 million
U.S. Raw Materials and Chemicals	$1.259 million
U.S. Machinery Parts and Vehicles	$0.935 million
U.S. Pharmaceuticals	$0.040 million
Total	$3.939

C. Local currency associated with A.I.D. assistance to the Caribbean Region program was allocated by A.I.D. and the respective governments for the following uses in FY 1985. (There was a total of $2.5 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $5 million was added during FY 1985.)

Infrastructure and Agricultural Activities	
Barbados	$1.125 million
St. Lucia	$0.470 million
St. Vincent	$0.284 million
Dominica	$0.215 million
Antigua	$0.198 million
St. Kitts	$0.156 million
Total	$2.448 million

Grenada

Government Salaries and Wages	$4.125 million
Public Utilities and Projects	$0.290 million
Public Works Materials and Supplies	$0.149 million
Total	$4.564 million
Caribbean Region Total	$7.012 million

D. Reprogramming of funds for the Caribbean Regional program during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

($ 000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1985 Obligations	55,776	7,994	2,015	3,450	-	6,300	7,985	28,032
- Actual FY 1985 Obligations	57,635	7,944	2,130	3,450	-	4,999	7,984	31,128

E. Funds and Programs provided to the Caribbean Regiona program through non-governmental as contrasted to governmental channels:

	Non-governmental	Caribbean Governments
DA	$9.716 million (37%)	$16.791 million (63%)
ESF	$1.043 million (3%)	$30.085 million (97%)
Total	$10.759 million (19%)	$46.876 million (81%)

Requested Year Program (FY 1987)

A program of $70.8 million consisting of $35.8 million DA and $35 million ESF is proposed. Most of the proposed funding will be required for continuation of the new initiatives being launched in FY 1986.

1. Private Sector-Led Productive Investment in Manufacturing and Tourism Development. DA in the amount of $15.8 million (22% of proposed levels) will be obligated for direct support to the private sector.

Education and Human Resources Development. Incremental funding is requested for management training under the Regional Development Training II project (538-0087), and for the Regional Management Training Pilot project (538-0148) to provide short-term management training.

Selected Development Activities. The following projects will receive incremental funding: (1) investment promotion under the Investment Promotion and Export Development project (538-0119); (2) technical advice and credit for small businesses under the Small Enterprise Assistance project (538-0133); and (3) additional construction of factory shells under the Private Sector Industry Infrastructure project (538-0088).

2. Infrastructure Expansion and Maintenance Systems Development. ESF in the amount of $15 million (21% of proposed levels) will be obligated to continue efforts to improve infrastructure necessary for expansion of the productive sectors. The Infrastructure Expansion and Maintenance Systems Development project (538-0138) will continue to respond to individual country needs, including improvement of transportation facilities and public utilities, and development of preventive maintenance systems.

3. High Impact Agricultural Development. DA totaling $11.1 million in Agriculture, Rural Development and Nutrition funds (almost 16% of proposed levels) will be obligated to continue expansion of agricultural production for export markets and to support research and extension programs. Incremental funding for High Impact Agriculture Marketing and Production project (538-0140) will be used to intensify and extend export crop production. Successful export crop production technologies will be extended to local producers, with assistance from U.S. PVOs working with cooperatives. Support to regional research and extension institutions will continue under the Eastern Caribbean Farm Systems Research and Development project (538-0099) and the Caribbean Agricultural Extension II project (538-0068) with an emphasis on linking agricultural research and extension to export crop production.

4. Public Management and Institutional Development. Resources totaling $1.1 million DA and $14.4 million ESF (23% of proposed levels) are programmed to improve public management and policy to enhance productive sector growth.

Health. The Health Sector Resources Management project (538-0069) will be initiated, to improve the efficiency and reduce the costs of health services, by upgrading supply management systems, financial analysis and planning.

ESF. Incremental funding will be provided for the Accelerated Private Sector Assistance project (538-0060, $400,000), the Public Management Policy Planning project (538-0096, $3.5 million), the Inter-Agency Resident Mission project (538-0089, $500,000), and the Structural Reform Support project (538-0141, $10 million) to facilitate economic structural reforms.

5. Other Program Components. An additional $6.4 in DA and $5.2 million in ESF (16% of proposed resources) are programmed for projects in population, social and economic infrastructure, and training. A new initiative, the Privatization of Family Planning project (538-0143, $600,000), will strengthen private family planning agencies (local PVOs). The Caribbean Training Initiative project (538-0094, $5.5 million) will help increase the number of people from the Caribbean trained in the United States to 1,500 in FY 1987. A.I.D. will add ESF funding to the Basic Needs Trust Fund II project (538-0103) to support high priority community infrastructure projects. The Special Development Activities Fund project (538-0005) will continue to support small, community-based, self-help activities.

6. Program Development and Support. DA in the amount of $1 million and $300,000 in ESF (2% of proposed levels) will be required for data gathering, project design, evaluation, and assessments.

MISSION DIRECTOR: James S. Holtaway

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 538-0000	75	C	---	---	2,906	2,075	800	1,070	300	340
REGIONAL AGRIBUSINESS DEVELOPMENT	L 538-0010	77	77	6,500	6,500	6,500	6,210	---	290	---	---
AGRIBUSINESS EXPANSION	L 538-0057	80	80	6,000	6,000	6,000	3,723	---	250	---	300
CARIBBEAN AGRICULTURAL EXTENSION II	G 538-0068	82	89	5,930	11,000	5,930	4,547	1,380	1,100	1,434	1,600
CARIBBEAN AGRICULTURAL TRADING CO.	G 538-0080	82	82	225	225	225	61	---	120	---	44
CARIBBEAN AGRICULTURAL TRADING CO.	L 538-0080	82	82	4,000	1,250	1,250	539	---	400	---	311
CARIBBEAN FINANCIAL SERVICES	L 538-0084	85	85	2,300	2,300	2,300	---	---	400	---	1,000
CARIBBEAN TRAINING INITIATIVE	G 538-0094	86	88	---	3,000	---	---	1,000	500	1,000	1,000
E. CARIBBEAN FARM SYSTEMS RESCH AND DEV	G 538-0099	83	88	7,550	7,550	3,550	2,858	1,320	1,250	1,700	1,500
ANTIGUA LIVESTOCK IMPROVEMENT PROJECT	G 538-0112	84	85	530	530	530	337	---	100	---	93
NATIONAL DEVELOPMENT FOUNDATION ASSIST.	G 538-0136	85	85	260	260	260	95	---	165	---	---
HIGH IMPACT AGRIC. MARKETING AND PROD.	G 538-0140	86	91	---	40,000	---	---	5,400	1,000	8,000	3,000
INTEGRATED AG OPG	G 538-0147	85	85	1,500	1,500	1,500	---	---	400	---	300
ANTIGUA SPIDER CRAB - OPG	G 538-0151	86	86	---	500	---	---	500	500	---	---
TOTAL FOR ACCOUNT				34,795	80,615	30,951	20,445	10,400	7,545	12,434	9,488
GRANTS				15,995	64,565	14,901	9,973	10,400	6,205	12,434	7,877
LOANS				18,800	16,050	16,050	10,472	---	1,340	---	1,611
POPULATION PLANNING											

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized da

For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 87

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	431	393	200	238	100	150
POPULATION AND DEVELOPMENT		G	538-0039	82	86	3,725	4,577	3,627	2,001	950	1,000	---	700
FAMILY PLANNING IEC - OPG		G	538-0116	84	86	963	963	413	350	550	543	---	70
PRIVATIZATION OF FAMILY PLANNING	*	G	538-0143	87	89	---	3,000	---	---	---	---	600	200
TOTAL FOR ACCOUNT						4,688	8,540	4,471	2,744	1,700	1,781	700	1,120
GRANTS						4,688	8,540	4,471	2,744	1,700	1,781	700	1,120
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	914	515	200	210	100	95
EPIDEMIOLOGICAL SURVEILLANCE AND TRNG		G	538-0027	79	85	2,585	2,585	2,585	1,949	---	336	---	300
HEALTH SECTOR RESOURCE MGMT.	*	G	538-0069	87	88	---	2,500	---	---	---	---	1,100	800
CARIBBEAN EYE CARE (OPG)		G	538-0111	83	93	250	250	250	118	---	132	---	---
GRENADA BLINDNESS PREVENTION		G	538-0120	84	84	400	400	400	100	---	200	---	100
REGIONAL PHARMACEUTICALS MANAGEMENT		G	538-0134	85	86	2,800	3,450	2,800	---	650	600	---	900
IMMEDIATE HEALTH CARE DEVELOP OPG		G	538-0149	86	86	550	550	---	---	550	500	---	50
TOTAL FOR ACCOUNT						6,585	9,735	6,949	2,682	1,400	1,978	1,200	2,245
GRANTS						6,585	9,735	6,949	2,682	1,400	1,978	1,200	2,245
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	945	659	100	280	100	90
CARIBBEAN REGIONAL DEV TRAINING		G	538-0014	79	85	4,000	4,000	4,000	3,791	---	209	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
CARIBBEAN EDUCATIONAL DEVELOPMENT		G	538-0029	79	85	9,958	9,958	9,958	9,841	---	117	---	---
REGIONAL YOUTH SKILLS TRAINING		G	538-0073	82	85	4,072	4,072	4,072	1,330	---	1,242	---	1,500
REGIONAL DEVELOPMENT TRAINING II		G	538-0087	83	88	5,000	12,000	3,483	1,503	7,000	2,000	3,700	2,000
CARIBBEAN TRAINING INITIATIVE		G	538-0144	86	89	---	12,300	---	---	1,000	---	4,500	2,000
REGIONAL MANAGEMENT TRG PILOT PROJECT		G	538-0143	86	87	---	2,500	---	---	1,000	500	1,800	500
TOTAL FOR ACCOUNT						19,030	44,830	22,463	17,121	7,100	4,743	9,700	6,090
GRANTS						19,030	44,830	22,463	17,121	7,100	4,743	9,700	6,090
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	1,357	2,314	420	600	400	470
SPECIAL DEVELOPMENT ACTIVITIES		G	538-0000	75	C	---	---	2,150	1,811	500	600	300	600
EMPLOYMENT INVESTMENT PROMOTION II		G	538-0015	79	85	1,400	1,400	1,400	1,250	---	150	---	---
EMPLOYMENT INVESTMENT PROMOTION II		G	538-0014	79	85	9,400	9,400	8,400	6,570	---	1,125	---	725
ALTERNATIVE ENERGY SYSTEMS		G	538-0032	79	84	7,600	6,939	6,939	5,307	---	466	---	1,150
PRIVATE SECTOR INVESTMENT ASST PROGRAM		G	538-[illegible]	81	85	1,500	4,000	2,500	2,500	900	500	400	500
NATIONAL DEV FOUNDATION OF DOMINICA OPG		G	538-0079	82	84	417	417	417	240	---	77	---	---
HOUSING INVESTMENT GUARANTEE ASSISTANCE		G	538-0091	82	86	300	375	375	231	300	172	---	170
CARIBBEAN FINANCIAL SERVICES		G	538-0154	85	85	400	400	400	11	---	50	---	50

[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

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PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
CARIBBEAN FINANCIAL SERVICES		L	538-0034	83	85	11,035	15,035	11,035	7,42[illegible]	---	2,0[illegible]	---	[illegible]
PRIVATE SECTOR INDUST INFRASTRUCTURE		L	538-00[illegible]	84	87	12,000	17,000	12,000	40[illegible]	---	[illegible]	[illegible]	[illegible]
CARIBBEAN MARKETING ASSISTANCE (OPG)		G	538-0102	83	85	390	390	390	335	---	[illegible]	---	---
INVESTMENT PROM AND EXPORT DEVEL.		G	538-0119	84	88	8,000	14,000	4,175	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SMALL ENTERPRISE DEVELOPMENT		G	538-0133	86	89	---	10,000	---	---	[illegible]	[illegible]	[illegible]	[illegible]
CARIBBEAN REGIONAL CREDIT UNION DEVEL II		G	538-0135	85	86	550	550	[illegible]	40	[illegible]	[illegible]	---	[illegible]
NATIONAL DEVELOPMENT FOUNDATION ASSIST.		G	538-0136	85	85	260	260	260	95	---	[illegible]	---	---
TOTAL FOR ACCOUNT						54,252	75,346	53,699	25,[illegible]	[illegible],000	11,[illegible]	11,[illegible]	13,[illegible]
GRANTS						22,817	38,911	22,264	15,[illegible]	4,000	[illegible]	[illegible]	[illegible]
LOANS						31,435	36,435	31,435	[illegible]	---	1,[illegible]	[illegible]	[illegible]
ECONOMIC SUPPORT FUND													
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	593	360	[illegible]	363	[illegible]	[illegible]
SPECIAL DEVELOPMENT ACTIVITIES		G	538-0005	73	C	---	---	1,34[illegible]	52[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ACCELERATED PRIVATE SECTOR ASSISTANCE		G	538-0060	82	[illegible]	1,500	2,000	1,500	1,312	---	[illegible]	[illegible]	
DOMINICA ROAD REHABILITIATION		G	538-0076	82	85	14,900	14,900	14,900	10,[illegible]	---	4,[illegible]	---	---
PRODUCTIVE INFRASTRUCTURE REHABILITATION		G	538-0082	82	85	14,650	14,650	14,650	10,300	---	4,350	---	---
BANANA INDUSTRY REHABILITATION		G	538-0083	82	82	1,750	1,750	1,750	1,241	---	509	---	---
CARIBBEAN FINANCIAL SERVICES		L	538-0084	83	85	4,000	4,000	4,000	---	---	[illegible]	---	2,[illegible]
INTERAGENCY RESIDENT MISSION		G	538-0089	82	87	800	800	300	---	---	400	[illegible]	110

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*Refers to the planned project summary sheet
C Level of effort activity
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ST. LUCIA SECTOR STRUCTURAL ADJUSTMENT		G	538-0090	83	83	9,500	9,500	9,500	3,243	---	2,500	---	2,757
CUMBERLAND HYDRO ELECTRIC		G	538-0091	84	84	500	500	500	66	---	234	---	200
CUMBERLAND HYDRO ELECTRIC		L	538-0091	84	84	7,500	7,500	7,500	636	---	1,700	---	2,500
PUBLIC MANAGEMENT POLICY PLANNING		G	538-0096	85	87	8,000	8,000	3,500	300	1,000	1,500	3,500	2,000
ANTIGUA WATER SUPPLY		G	538-0098	83	83	3,225	3,225	3,225	1,575	---	1,650	---	---
ANTIGUA WATER SUPPLY		L	538-0098	83	83	6,625	6,625	6,625	674	---	3,775	---	1,176
ST. VINCENT AGRICULTURAL DEVEL PROGRAM		G	538-0101	84	84	2,000	2,000	2,000	407	---	407	---	600
BASIC NEEDS TRUST FUND		G	538-0103	84	88	12,700	22,700	12,700	842	---	3,000	4,850	3,000
ST. KITTS/NEVIS RESOURCE MANAGEMENT		G	538-0108	84	87	2,000	2,150	1,500	1	500	400	150	300
GRENADA INFRASTRUCTURE		G	538-0129	86	86	---	5,000	---	---	5,000	2,000	---	3,000
DOMINICA ELECTRIC		G	538-0130	85	85	4,700	4,700	4,700	650	---	2,300	---	1,400
ST. LUCIA GEOTHERMAL		G	538-0137	85	86	3,000	3,000	1,500	---	1,500	1,500	---	1,500
INFRASTRUCTURE EXPANSION MAINT. SYSTEMS		G	538-0138	86	91	---	24,000	---	---	4,000	2,000	7,500	5,000
INFRASTRUCTURE EXPANSION MAINT. SYSTEMS		L	538-0138	86	91	---	16,000	---	---	4,000	2,000	7,500	5,000
STRUCTURAL REFORM SUPPORT		G	538-0141	86	88	---	25,000	---	---	4,572	1,000	10,000	2,000
ECONOMIC SUPPORT GRANT III		G	538-0150	86	86	4,000	4,000	---	---	4,000	4,000	---	---
TOTAL FOR ACCOUNT						101,350	182,000	91,991	33,933	25,172	39,785	35,000	33,298
GRANTS						83,225	167,875	73,866	32,621	21,172	31,310	27,500	22,622
LOANS						18,125	34,125	18,125	1,312	4,000	8,475	7,500	10,676
TOTAL FOR COUNTRY						224,700	401,066	210,424	103,918	54,772	66,725	70,834	65,526
GRANTS						156,340	314,456	144,814	81,744	50,772	51,805	58,334	47,514
LOANS						68,360	86,610	65,610	22,174	4,000	14,920	12,500	18,012

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: GRENADA

PROJECT TITLE	* L PROJECT # NUMBER C	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG-ATIONS	-THROUGH FY85- EXPENDI-TURES	-ESTIMATED FY86- OBLIG-ATIONS	-ESTIMATED FY86- EXPENDI-TURES	-PROPOSED FY87- OBLIG-ATIONS	-PROPOSED FY87- EXPENDI-TURES
ECONOMIC SUPPORT FUND											
PROJ DEVELOP AND SUPPORT	G 543-0000	83	85	1,500	1,592	1,592	1,000	---	54	---	34
ECONOMIC RECOVERY	G 543-0001	84	84	10,000	10,000	10,000	10,000	---	---	---	---
FREE LABOR DEVELOPMENT (GFLTU)	G 543-[illegible]	84	85	966	966	966	195	---	775	---	250
IMMEDIATE HEALTH CARE	G 543-0005	84	85	5,605	5,605	5,605	1,111	---	170	---	1,000
AGRICULTURE SECTOR REVITALIZATION	G 543-0006	84	84	1,964	1,964	1,964	667	---	320	---	400
POINT SALINES AIRPORT	G 543-0008	83	84	19,000	19,000	19,000	15,335	---	3,665	---	---
INFRASTRUCTURE EXPANSION	G 543-0008	84	84	8,400	8,400	8,400	1,840	---	2,000	---	2,000
EDUCATION AND TRAINING	G 543-0009	84	85	500	500	500	168	---	200	---	132
RELIEF AND RECONSTRUCTION	G 543-0010	84	88	9,085	9,085	9,085	4,991	---	2,534	---	1,560
PRIVATE SECTOR DEVELOPMENT	G 543-0012	84	88	674	674	674	138	---	256	---	275
SPECIAL DEVELOPMENT FUND	G 543-0013	84	85	300	300	300	79	---	130	---	99
ECONOMIC SUPPORT STRUCTURE	G 543-0015	85	85	5,000	5,000	5,000	1,500	---	1,500	---	---
TOTAL FOR ACCOUNT				57,290	57,290	57,290	37,037	---	11,596	---	5,750
GRANTS				57,290	57,290	57,290	37,037	---	11,596	---	5,750
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				57,290	57,290	57,290	37,037	---	11,596	---	5,750
GRANTS				57,290	57,290	57,290	37,037	---	11,596	---	5,750
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Privatization of Family Planning	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION *(In thousands of dollars)* FY 87 600 Life of Project Funding 3,000
Number 538-0143 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population 600	Ed. & HR	Sel. Act.	Initial Obligation FY 87 Estimated Final Obligation FY 89 Estimated Completion Date of Project FY 91

Purpose: To strengthen the institutional capacity and to increase the economic viability of private family planning providers. The project will improve delivery of services and reduce reliance on international donor funding.

Project Description: After a number of years of donor-supported family planning activities through government and/or private family planning associations (FPAs) in the Caribbean, recent research and project evaluations suggest that knowledge of at least one contraceptive method is nearly universal. Further, a majority of women in the samples "wanted no more children" at the time of their last pregnancy, but only one-third of the adult population is practicing family planning.

These observations suggest the need for greater emphasis on a marketing approach for private FPAs: (1) identifying unserved consumers and developing strategies for attracting them; (2) identifying services which the FPA can provide more effectively and efficiently than the public sector and assuming greater responsibility for those services; and (3) counselling to broaden the base of support for the FPA. Finally, a private sector approach requires clearly articulated strategies for assessing the costs and benefits of services with careful attention to long-term financial mangement and planning.

This project will provide technical assistance in marketing to non-profit organizations to (1) conduct assessments of the operations and programming of FPAs in the region, (2) develop strategic plans for strengthening the institutions, and (3) assist the FPA in implementing these new plans. A major component of this project will be training FPA program and financial managers to enhance their skills in the marketing management approach.

Relationship of Project to A.I.D. Regional Strategy: The project supports A.I.D.'s population strategy of improving organizational effectiveness and financial independence, and improving private sector delivery of services.

Relationship to Other Donors and Host Country: The proposed project will be coordinated with ongoing and planned activities by other international institutions, including the United Nations, which are working in the complementary areas of family planning education, community-based distribution projects, and revenue generation for FPAs.

Beneficiaries: The primary beneficiaries will be the FPAs. The ultimate beneficiaries will be families who currently do not practice family planning but state a desire to do so.

Major Outputs:	All Years
- Trained technical staff	130
- FPAs providing services and working toward self-sufficiency	15
- Increased commodity storage capacity	X

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,350
Training	500
Commodities and equipment	700
Administration	450
Total	3,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 85	-	-	-
Estimated Fiscal Year 86	-	-	-
Estimated Through September 30, 86	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 87	600	2,400	3,000

Principal Contractors or Agencies

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title Health Sector Resources Management	Funding Source	AG, RD & N	Health 1,100	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,100		Life of Project Funding 2,500
Number 538-0069 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 88	Estimated Completion Date of Project FY 91

Project Purpose: To improve the use of limited health resources of both the public and private sectors through better design, management and implementation of health services.

Project Description: The standard of health in the countries of the Eastern Caribbean has improved significantly over the past several years. Public and private expenditures on health care, as a percentage of gross national product, rival many developed countries. Thus, the Ministries of Health of these countries face many common problems related to the provision of health care services. Because these Ministries already receive budgets of 12-14 percent of public spending, it is unlikely that governments will increase budgets to maintain or expand services.

The principal components of the project include medium- and long-term technical assistance focused on personnel and supply management systems, financial analysis and planning, and health education. The project will introduce cost containment systems in various country settings to improve cost effectiveness of health programs. Alternative financing schemes will focus on cost recovery for certain identified services. To upgrade the planning and management capability of the Ministries and to support improved service delivery practices, long-term and short-term training will be financed.

Relationship of Project to A.I.D. Regional Strategy: The project supports A.I.D.'s health policy objectives of helping developing countries to maintain cost-effective preventive and curative health services, while reducing the burden on the public sector.

Host Countries and Other Donors: Other donors, the Pan American Health Organization are working in the region in complementary activities which seek to improve the effectiveness and efficiency of health manpower in the provision of health care services. Cost containment and alternative cost financing are receiving wide attention by host governments.

Beneficiaries: The intended beneficiaries of this project will be the general populations of these countries who will, with the introduction of these interventions, enjoy improved and more efficient health care delivery systems.

Major Outputs:	All Years
- Health personnel trained	625
- Countries with better, more affordable health services	7

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,400
Training	800
Computer and logistical support	300
Total	2,500

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 85	-	-	-
Estimated Fiscal Year 86	-	-	
Estimated Through September 30, 86	-	-	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 87	1,100	1,400	2,500

Principal Contractors or Agencies

OVERVIEW OF SOUTH AMERICAN ACTIVITIES

SOUTH AMERICA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	25,181	8,000	-	2,500	-	1,000	-	13,681
Grants	63,572	20,500	5,144	10,538	7,914	7,272	4,414	7,790
Total	88,753	28,500	5,144	13,038	7,914	8,272	4,414	21,471 1/
1986								
Loans	25,155	5,800	-	2,500	-	2,500	14,355	-
Grants	82,889	14,155	2,630	4,802	8,130	8,650	44,022	500
Total	108,044	19,955	2,630	7,302	8,130	11,150	58,377	500 2/
1987								
Loans	24,500	5,700	-	1,500	-	2,300	15,000	-
Grants	114,292	16,650	2,876	6,100	5,264	10,110	72,000	1,292
Total	138,792	22,350	2,876	7,600	5,264	12,410	87,000	1,292 2/

1/ International Disaster Assistance
2/ Child Survival Fund

FY 1987
PROGRAM HIGHLIGHTS

- For the South American countries, $51.8 million of Development Assistance, $87 million of Economic Support Funds, and $46.6 million in P.L. 480 assistance is requested.

- A.I.D. will continue to support (1) economic stabilization and recovery programs in four South American countries, (2) basic structural reforms to permit a resumption of economic growth, (3) economic alternatives to illicit narcotics, and (4) efforts to overcome key constraints in the principal sectors of agriculture, health, population and human resource development.

SOUTH AMERICA

Overview

A.I.D. proposes to continue our major bilateral assistance programs in three countries in South America: Ecuador, Peru and Bolivia. These three Andean countries are of strategic importance to the United States because of their democratic orientation, proximity to the United States, their current efforts to fight narcotics production and trafficking, their natural resource base and the leadership role they play in South America. In the past two years, democratically elected governments have succeeded elected governments in each country, an unprecedented occurrence in the region. The Andean countries are strongly oriented toward the United States, their largest trading partner and by far their largest source of foreign investment. The United States looks to the Andean countries for petroleum, other raw materials and agricultural products.

The United States has a major interest in supporting the efforts of all three countries to eliminate illegal production and trafficking of narcotics in the Andean region. Peru and Bolivia are the sources of over three-quarters of the coca leaves which eventually are processed into cocaine for the U.S. market. Ecuador is an important trafficking country. While the narcotics problem is large and the obstacles to success are great, we are encouraged that the level of cooperation with the United States by the governments of these three countries in our common fight against illegal narcotics has reached an all-time high. The efforts of the Ecuadorian government and the new Peruvian government against narcotics production and trafficking are unprecedented, while the new government of Bolivia has made an impressive start to confront that country's illicit narcotics problem.

Unfortunately all three countries are suffering from major economic problems. All experienced dramatic economic downturns in the early 1980s as a result of (a) weakened demand for many of the region's key export commodities (petroleum, tin, copper, silver, sugar, bananas); (b) the economic effects of the El Nino floods and drought of 1982-83; (c) the rise in interest rates for their already onerous external debt (which reached $27 billion for the region at the end of 1985); and (d) in certain instances, inappropriate domestic economic policies. By early 1985 the per capita income in Peru and Bolivia had fallen to the levels of the 1960s. Export diversification is needed in all three countries to provide foreign exchange to finance productive imports and to service the debt. Only Ecuador has been able in recent years to continue to meet the requirements for drawings under International Monetary Fund (IMF) agreements.

While inappropriate economic policies have in the past inhibited economic recovery, there are positive current economic initiatives in these countries. The market-oriented private sector approach of the Ecuadorian government has begun to turn that economy around, and the United States has substantially increased its support to Ecuador as a result of GOE economic policies. Likewise in Bolivia, the new government has taken unprecedented steps in the direction of economic reform, and we are responding with increased support. The medium and long-term economic policies of the new government in Peru are still not clear, although the short-term economic program has reduced inflation considerably.

Forces hostile to U.S. interests in the Andes have sought to exploit the economic reversals of the last decade. The rise of terrorist organizations in Peru and Ecuador substantiate this assessment. At this juncture, it is important to encourage the positive trends in the struggle against illicit drugs, as well as to support the recent beginning of economic improvement in the Andean region, to preclude popular unrest and the risk of extra-legal changes in these fragile democracies.

In response to these problems and opportunities we propose a significant economic assistance program for the Andes. Our objectives for the Andean subregion are to help the countries of the region to:

-- halt economic decline and achieve an annual economic growth rate of at least 4.5% by 1988;

-- expand the role and participation of the private sector in economic development;

-- increase agricultural production for domestic consumption and agroindustrial exports;

-- improve health status and conditions of the region, especially to promote child survival;

-- contribute to coca control through income substitution and narcotics awareness efforts;

-- expand participation of low-income groups in the benefits of economic growth; and

-- strengthen democratic institutions, including the judicial systems.

In addition to the Andean democracies, an elected government was inaugurated last year in Uruguay. Uruguay's economy has been in trouble for a generation, but the new administration's plan addresses most of the elements necessary for economic recovery. A.I.D. will provide ESF support to help Uruguay achieve long-term growth and a self-sustaining economy.

A.I.D. is requesting $72 million of ESF assistance for Bolivia, Ecuador, and Peru and $15 million for Uruguay in FY 1987 to support these countries' pursuit of policy reforms needed to halt the economic decline and create an environment in which a sustained economic recovery can occur. Our ESF assistance to the Andes will also serve to promote further progress on narcotics control. A.I.D. is also requesting $51.8 million for the DA program, which will give high priority to new efforts to improve agricultural production and marketing, promote the role of the private sector in economic development and expand the provision of health services to the poorer segments of the population. ESF and DA resources will be complemented by $30 million in P.L. 480 Title I/III resources to promote economic policy reforms, particularly in the agricultural sector.

BOLIVIA

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COUNTRY:  (511) BOLIVIA

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      6,195

PER CAPITA GNP....... .. (DOLLARS,1983)        510

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.6%

ANNUAL RATE OF INFLATION (1973-83) 35.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970)   4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                        (1985)   TOTAL 51.9  MALE 49.7  FEMALE 54.2
                        (1970)   TOTAL 45.9  MALE 43.8  FEMALE 48.1

ADULT LITERACY RATE  (1976)   TOTAL  63%  MALE  76%  FEMALE  51%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)  -3.1%

AGRICULTURAL PRODUCTION AS % OF GDP............(1983)    23%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)         19


                                                ARABLE LAND  YEAR
MAJOR CROP(S)                                           14%   (1984)
  SUBSISTENCE: POTATOES ,CORN                            9%   (1984)
  CASH: RICE ,SUGARCANE ,WHEAT

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,COFFEE ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ..

PROPORTION OF LABOR FORCE IN AGRICULTURE.. .....(1976)    46%
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*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1981)        671 (82)         235 (8[illegible]          260
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1981)        919 (82)         398 (83)          878
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1981)       -248 (82)        -163 (83)         -618
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1977) 14.7% (78) 16.1% (79) 16.6%
  AS % OF GNP................. (1977)  1.9% (78)  2.2% (79)  2.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   192 (83)   197 (84)   252
  EQUIVALENT TO  3.4 MONTHS OF IMPORTS (1983)

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*FOREIGN TRADE*
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MAJOR EXPORTS(  83)NATURAL GAS    ,TIN           ,SILVER

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)  261  (1983)  161  (1984)  145
   AS % OF TOTAL EXPORTS (1981)   34% (1982)   35% (1983)  23%

MAJOR IMPORTS(  83)FOODSTUFFS     ,CHEMICALS      ,CAPITAL GOODS

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  144  (1983)  112  (1984)  116
   AS % OF TOTAL IMPORTS (1981)   30% (1982)   37% (1983)  25%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    232(82)    400(83)   275

TRADING PARTNERS: UNITED STATES ,ARGENTINA ,BRAZIL

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    58.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
   ($ MILLIONS, U.S.)................................ (1983)   267
   AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  35.2%
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*SOCIAL DATA*
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POPULATION GROWTH RATE...(1970)   2.4% (1978)   2.5% (1985)  2.6%

POPULATION IN URBAN AREAS............(1970)    41%  (1985)   49%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)     42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1983)  23.6%

POPULATION (1985) IN AGE GROUP:
                (0-14YRS) 43.4% (15-64YRS) 53.4% (65+ YRS)  3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 119

PEOPLE PER PHYSICIAN................ (1974)  1,849

MAJOR CAUSES OF
DISEASE (1982) PREGNANCY-RELATE,ENTERIC DISEASE ,TUBERCULOSIS
DEATH.. (1982) ENTERIC DISEASE ,HEART DISEASE   ,FLU & PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  37%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.......... (1981)  TOTAL   111   MALE   120    FEMALE   101
SECONDARY........ (1981)  TOTAL  21.8   MALE  23.1    FEMALE  14.4
POST SECONDARY.. (1978)  TOTAL   7.9   MALE   8.6    FEMALE   3.6

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      235%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BOLIVIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	30.1	12.8	19.7	63.0	78.0	922.9	144.5	778.4
Loans	17.3	0.2	10.3	40.4	49.5	447.8	144.5	303.3
Grants	12.9	12.6	9.7	22.6	28.5	475.1	-	475.1
a. A.I.D. and Predecessor Agencies	4.5	2.3	2.1	11.4	52.3	654.3	81.5	572.8
Loans	-	-	-	8.0	39.5	362.5	81.5	281.0
Grants	4.5	2.3	2.1	3.4	12.8	291.8	-	291.8
(Economic Support Fund)	-	-	-	-	-	164.1		
b. Food for Peace (PL 480)	24.8	9.5	16.4	49.2	22.1	205.1	48.4	156.7
Loans	17.3	-	10.0	32.4	10.0	68.5	48.4	20.1
Grants	7.5	9.5	6.4	16.8	12.1	136.6	-	136.6
Title I - Total Sales Agreements	17.3	-	10.0	32.4	10.0	68.5	48.4	20.1
Repayable in U.S. Dollars - Loans	17.3	-	10.0	32.4	10.0	40.4	33.1	10.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	28.1	15.3	9.3
Title II - Total Grants	7.5	9.5	6.4	16.8	12.1	136.6	-	136.6
Emerg. Relief, Econ. Develop. & World Food Program	2.1	0.8	0.5	8.2	0.1	41.8	-	41.8
Voluntary Relief Agencies	5.4	8.7	5.9	8.6	12.0	94.8	-	94.8
c. Other Economic Assistance	0.8	1.0	1.2	2.4	3.6	63.5	14.6	48.9
Loans	-	0.2	-	-	-	15.8	14.6	2.2
Grants	0.8	0.8	1.2	2.4	3.6	46.7	-	46.7
Peace Corps	-	-	-	-	-	16.8	-	16.8
Narcotics	0.2	0.2	0.2	1.7	2.7	14.9	-	14.9
Other	0.6	0.6	0.9	0.7	0.9	15.0	-	15.0
II. MILITARY ASSISTANCE – TOTAL	0.3	-	-	-	0.1	81.1	18.5	62.6
Credits or Loans	-	-	-	-	-	23.0	18.5	4.5
Grants	0.3	-	-	-	0.1	58.1	-	58.1
a. MAP Grants	0.2	-	-	-	-	33.6	-	33.6
b. Credit Financing - FMS	-	-	-	-	-	23.0	18.5	4.5
c. Military Assistance Service Funded (MASF) Grants	0.1	-	-	-	0.1	14.4	-	14.4
d. Transfers from Excess Stocks	-	-	-	-	-	10.1	-	10.1
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	30.4	12.8	19.7	63.0	78.1	1004.0	163.0	841.0
Loans	17.3	0.2	10.0	40.4	49.5	470.8	163.0	307.8
Grants	13.1	12.6	9.7	22.6	28.6	533.2	-	533.2
Other U.S. Government Loans and Grants	-	-	-	-	-	103.7	112.5	8.8-
a. Export-Import Bank Loans	-	-	-	-	-	74.2	78.0	3.8-
b. All Other Loans	-	-	-	-	-	29.5	34.5	5.0-

LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	211.3	130.6	0.0	1616.6
IBRD	0.0	0.0	0.0	296.0
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	104.8
IDB	211.1	126.8	0.0	951.2
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.2	0.8	0.0	49.5
OTHER-UN	0.0	3.0	0.0	11.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	33.0	61.0	264.0
Japan	29.9	35.6	152.4
Germany,Fed. Rep.	10.6	10.7	105.0
Netherlands	1.7	9.0	20.1
Belgium	3.0	2.9	19.7
Other	15.3	18.0	76.7
Total	93.5	137.2	637.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	70	2	190
Eastern Europe	10	10	100
Total	80	12	290

BOLIVIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	11,500	4,000	-	-	-	-	-	7,500
Grants	6,584	2,840	10	714	1,300	1,720		-
Total	18,084	6,840	10	714	1,300	1,720		7,500 1/
1986								
Loans	2,500	1,000	-	-	-	1,500	-	-
Grants	21,147	2,780	30	252	880	2,350	14,355	500
Total	23,647	3,780	30	252	880	3,850	14,355	500 2/
1987								
Loans	3,500	2,700	-	-	-	800	-	-
Grants	25,792	1,600	30	600	760	1,510	20,000	1,292
Total	29,292	4,300	30	600	760	2,310	20,000	1,292 2/

1/ International Disaster Assistance
2/ Child Survival Fund

FY 1987
PROGRAM HIGHLIGHTS

To strengthen the democratic process, help stabilize the economy support the reduction of illegal coca production and narcotics trafficking and expand the role of the private sector in the Bolivian economy by providing:

- $20 million ESF to help the Government of Bolivia (GOB) alleviate its balance-of-payments crisis,
- $1.5 million for narcotices-related development and private sector activities in the Chapare,
- $3.3 million for private agroindustrial development and export programs,
- $1.9 million to expand ORT services and improve the health and nutrition of rural and semi-urban low income Bolivian families,
- $1.0 million for enhancing private sector business skills, training public and private leaders and,
- $1.2 million for macro-economic planning, and GOB public administration.

BOLIVIA

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	13,200	50,323	24,327
Grants	3,132	23,680	27,908
Total AID	16,332	74,003	52,235
P.L. 480 **			
Title I	20,000	20,000	20,000
(of which Title III is)	(-)	(20,000)	(20,000)
Title II	8,654	8,528	8,277
Total P.L. 480	28,654	28,528	28,277
Total AID and P.L. 480	44,986	102,531	80,512

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	150,000	20,000	152,000	20,000	155,000	20,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	150,000	20,000	152,000	20,000	155,000	20,000
(of which Title III is)	-	-	(152,000)	(20,000)	(155,000)	(20,000)
Title II 1/						
Voluntary Agencies	29,941	8,654	31,932	8,024	30,869	7,883
Government - to - Government	-	-	1,920	504	1,523	394
Title II Total	29,941	8,654	33,852	8,528	32,392	8,277
Total P.L. 480	179,941	28,654	185,852	28,528	187,392	28,277

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

BOLIVIA

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	15	14	14
PASA[b]	1	0	0
TOTAL	16	14	14

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	22	23	4	69	73	3	50	53
Regional[e]	6	0	6	18	0	18	18	0	18
TOTAL	7	22	29	22	69	91	21	50	71

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP)

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	15	16	1	22	23	0	22	22
Regional[e]	0	1	1	0	2	2	0	0	
TOTAL	2	16	17	1	24	25	0	22	22

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

BOLIVIA

Development Overview

On August 6, 1985, the constitutionally elected government of Hernan Siles Zuazo transferred power to the newly elected government of Victor Paz Estenssoro. This was the first time in 25 years that one constitutionally elected government succeeded another in Bolivia, and the first time in the nation's 160 year history that a peaceful transfer took place between opposing political parties.

The new Government of Bolivia (GOB) faces an unprecedented economic crisis and widespread political discontent stemming from the previous government's inability to deal with the nation's problems. Inflation accelerated to more than 20,000% in the 12 months ending August 1985. Imports fell from $1.01 billion in 1981 to $477 million in 1984. Real gross domestic product (GDP) declined 21.1% in the past five years. On a per capita basis, real GDP and income have fallen 32% over this period. Bolivia's debt service obligations, as of June 1985, came to 141% of estimated 1985 exports.

Bolivia is the least developed country in South America and is the second poorest in the Latin American region. The nation has a per capita income of $510, with 64% of its population living below the poverty line. Poor health and sanitation conditions are major problems. Only 37% of the population has access to safe water. The average life expectancy is 51 years.

Bolivia's economic crisis stems primarily from 30 years of counterproductive macro-economic and sectoral policies and chronic political instability. The new government has taken important steps to reverse these trends. The Bolivian Government is trying to overcome serious development constraints and economic problems through an economic and political model of equitable, private sector market-led growth within a democratic framework. The economic program announced by the new government on August 29, less than four weeks after taking power, has the support of the centrist ruling party and the center-right major opposition party. The economic changes have begun to shift the focus of the Bolivian economy from its previous public sector orientation toward a free market economy with an unfettered private sector. In essence, the program is much more austere and comprehensive than anticipated, goes beyond reforms, and amounts to a restructuring of the Bolivian economy.

The new government devalued its currency by 93.2%. Domestic petroleum prices were increased ten-fold to approximately $1.14 per gallon. Banks and other financial institutions can now offer dollar loans and deposits. The new regime also significantly liberalized the nation's trade policy and lowered its tariffs to discourage contraband and increase revenues. Public sector wages were frozen and the government plans to reduce public sector employment by at least 20%. It also has abolished all price controls, except for public utilities and gasoline. The new economic program eliminated all restrictions and administrative controls on exports, except for armaments, narcotics and other dangerous substances, and rationalized the tax system on minerals. The program has decentralized the country's major state corporations, enabling the government to reduce its central bureaucracy and impose greater fiscal discipline. Finally, the reform program requires the Ministers of Finance and Planning to submit to the Congress proposals for additional reforms of the monetary and tax systems.

The Bolivians, who have suffered through years of political instability, economic chaos and the El Nino natural disasters of 1983/84, seem to have realized that difficult economic measures are necessary. Despite some resistance by organized labor, which fears a loss of the predominant political role it acquired in 1952, the Bolivian people seem to be supporting the government and its economic program and are working to bring about economic recovery.

Bolivia's potential for development is significant. The nation is endowed with abundant mineral resources and rich agricultural lands. Up to now, however, this potential has not been realized because of the nation's chaotic economic and political environment. With the new economic policies of the government, particularly its incentives to the private sector, and the support of the people, the country is now moving toward economic recovery and development. At this point in Bolivia's political and economic history, donor support is essential to ensure the continuation of the recovery process.

Along with his strong economic initiatives, President Paz has stressed his intention to take forceful actions to reduce illegal coca production and narcotics trafficking. In his inaugural address, and on numerous subsequent occasions, Paz has fully endorsed the comprehensive narcotics laws enacted by his predecessor in May 1985. Coca eradication on a modest scale began in November 1985.

U.S. Interests and Objectives

The basic U.S. goals in Bolivia are to support the continuation and strengthening of the nation's democratic process and the development of an equitable and viable economic system. Specific U.S. Government objectives are to: (1) support democratic and constitutional government, (2) help Bolivia resolve its economic crisis, and (3) reduce the flow of cocaine into the United States.

A.I.D. Development Strategy

A.I.D.'s strategy in Bolivia is to promote self-sustaining economic growth and to improve the well-being of the rural poor through increased small farmer production, expanded employment opportunities and higher real incomes. With the installation of the new government, the immediate goal of the A.I.D. program is to provide quick-disbursing development assistance, food, and balance-of-payments support to help minimize the difficulties which have arisen as a result of the shift from a highly subsidized economy to a free market one. This assistance will support the institutionalization of the democratic process, contribute to the long-term viability of the Bolivian economy and encourage further progress in narcotics control.

A.I.D.'s longer-term development objectives are to promote economic stabilization through more rational economic policies, to allow the private sector to play a larger and more dynamic role in the economy, and to complement coca eradication and control activities with suitable development programs and narcotics education activities. In confronting Bolivia's coca production and trafficking problems in the Chapare, the U.S. strategy is predicated on the simultaneous implementation of an effective GOB coca-control and eradication program and A.I.D.-supported development activities.

A.I.D.'s strategy emphasizes the expansion of Bolivia's private sector in agriculture and agribusiness, artisanry and handicrafts, and non-traditional exports. Because Bolivia's public sector institutions lack the financial and human resources to carry out the tasks that the economy and society require, A.I.D. is using its expertise and resources to assist the private sector in performing these functions. With reduced public sector interference and the elimination of disincentives, the private sector should expand its activities in agriculture, health and education and broaden its linkages throughout the country.

A.I.D. Program (FY 1985 - FY 1986)

In FY 1986, A.I.D. will support the macro-economic adjustments undertaken by the new government to stimulate private sector involvement in the sectors where Bolivia has comparative advantages. In addition to the Development Assistance and Economic Support Fund programs, the P.L. 480 Titles I/III and Title II activities are key to this strategy.

Evaluations carried out in FY 1985 and planned for FY 1986 will play an important role in the design of new projects and implementation of A.I.D.'s ongoing program. These evaluations will verify the progress A.I.D. is making toward the achievement of its project and program objectives. The findings of these assessments will provide important inputs into the design of A.I.D.'s FY 1987 projects.

Economic Support Fund (ESF). In FY 1986, the Economic Stabilization and Recovery Program (511-0592) will provide $14.355 million in balance-of-payments support to the Bolivian Government. Along with assistance being provided by the international financial institutions, this program will help the GOB meet its foreign exchange requirements and ease the political as well as the severe social pressures which have emerged from the comprehensive economic stabilization program. This quick-disbursing grant program will also serve as a catalyst for attracting assistance from other external sources. Local currency provided by the GOB will be deposited in a special account to be used for credit, counterpart for A.I.D. projects, a modest operating expense trust fund and other uses agreed on by A.I.D.

Agriculture, Rural Development and Nutrition. During FYs 1985 and 1986, A.I.D. has been giving priority to coca control-associated development efforts in the Chapare and to strengthening the role of the private sector in agriculture, agribusiness, handicrafts, and non-traditional exports.

The Chapare Regional Development project (511-0543) is A.I.D.'s major program for assisting farm families to reduce their dependency on coca production. To provide economically viable options to coca growing in the context of control and coca eradication activities, the project is providing direct assistance to cooperating farmers. The project is also expanding markets for their legitimate agricultural products by aiding agribusinesses with strong linkages to small- and medium-sized farmers in the Chapare region. In FY 1985, a rural electrification component was added to the project and a nationwide narcotics awareness education program was initiated. The Rural Access Roads II project (511-0466) is improving Chapare farm-to-market roads and completing repairs on flood-damaged bridges. P.L. 480 Title III local currency generations are also being used for community works projects (such as school construction and small-scale irrigation systems) and for farm credits.

The Agriculture Sector II project (511-0465) supports the development of a strong private commercial seed industry, small-farm production of cotton for the domestic milling industry, and improvement of small-farmer land-use practices. The Agribusiness and Artisanry project (511-0472) and the Departmental Development Corporations project (511-0511) are mobilizing private resources and initiative for high-impact production, processing and marketing projects. These projects are stimulating rural production and productivity, especially among the country's small farmers. The Disaster Recovery project (511-0581) continues to support the GOB's recovery from the 1983/84 El Nino natural disasters, particularly in agriculture and agribusiness. The project provides the foreign exchange to purchase agricultural inputs for sale to medium- and small-scale farmers, and machinery, spare parts and raw materials for sale to agroindustries.

In FY 1986, two new initiatives will provide expanded development and employment opportunities to Bolivia's secondary or semi-urban population centers. Both projects expand A.I.D.'s private sector emphasis and attempt to institutionalize systems and organizations which increase access to markets. The Market Town Capital Formation project (511-0573) will promote private development and investment in secondary towns, permitting a greater number of small farmers and businessmen to have greater access to Bolivian markets. The Private Agricultural Organizations project (511-0589) will strengthen the production, research and extension, marketing and management capabilities of private agricultural organizations (e.g., producers' associations and regional seed councils) to increase the quality and outreach of services to rural producers.

Health and Population Planning. During FY 1985 and FY 1986, A.I.D. is emphasizing the role of the private sector in delivering basic health services. The Self-Financing Primary Health Care project (511-0569) provides inexpensive health care to rural and semi-urban inhabitants in the Santa Cruz region. The Oral Rehydration Therapy (ORT) and Child Growth Monitoring project (511-0590) is introducing life-saving ORT services to 2,000 mothers' clubs affiliated with Catholic Relief Services (CRS). Cooperative for American Relief Everywhere (CARE) is working directly with communities to install potable water systems in areas lacking reliable water supplies. Several centrally-funded family planning activities with private organizations in Bolivia are increasing public access to health information and services.

A major health project, Rural Sanitation (511-0458), is installing 178 potable water systems and 7,500 latrines in water-scarce areas of Cochabamba and Chuquisaca. The centrally-funded Bolivian Savings and Loan System Water and Sanitation project is providing the nation's private Savings and Loan system with the resources to provide rural families and communities with low-cost potable water and improved sanitation.

Child Survival. Two new Child Survival projects will be started in FY 1986 with the local International Planned Parenthood (IPPF) affiliate to provide oral rehydration therapy services in combination with child spacing, and with CARE for promotion of oral rehydration therapy as well as improved water systems and sanitation.

Education and Human Resources. The Rural Education II project (511-0482), which is upgrading the skills of rural teachers, will terminate in FY 1986. In FY 1985, A.I.D. launched two new efforts to raise the level of expertise within the Bolivian private sector and among GOB policy-makers. The Management Training project (511-0580) will establish a Training Institute which will upgrade the skills of entrepreneurs and business managers. The Training for Development project (511-0584) will offer academic and technical training in the United States to selected individuals in the GOB and private enterprise. The project also contains a democracy awareness component which will send Bolivian men and women who are potential rural-community and labor leaders to the United States to observe how U.S. community and labor organizations function.

Selected Development Activities. Projects in this funding category emphasize policy analysis and private sector export development. The ongoing Policy Reform project (511-0571) supports the economic program of the new Government with macro-economic and sector studies, and the formulation of policy alternatives for GOB decision-makers. The FY 1985 Handicraft Export Development project (511-0583) assists Bolivian artisans to improve the design and quality of their alpaca and llama wool products and to market their goods abroad. The FY 1986 Private Sector Second Story Bank project (511-0572) will assist the private agroindustrial and export sectors by providing businessmen with access to long-term productive credit. The project is designed to create a re-discount development banking facility and to institutionalize development financing policies and procedures within the Bolivian banking community.

P.L. 480 Programs. The Title II program supplied $8.65 million in food assistance in FY 1985 and will provide $8.53 million in food commodities in FY 1986. The Title II donations are channeled through three U.S. private and voluntary organizations (PVOs)--Catholic Relief Services, Seventh Day Adventist World Services, Food for the Hungry International--and one GOB development agency. Some 2,000 mothers' clubs supported under the Title II Maternal and Child Health program have been effective in reducing infant mortality and morbidity in a country where such rates are the highest in the hemisphere. Beginning in FY 1986, the development impact of this food assistance will be strengthened by oral rehydration therapy (ORT) and child growth monitoring services offered at the mothers' clubs.

A.I.D. provided Bolivia with $20 million in Title I wheat during FY 1985 and will supply $20 million in PL 480 Title III wheat in FY 1986 . The imported commodities will provide much needed balance-of-payments support, which is essential to the success of the GOB's economic program, and help relieve shortages of staple wheat products.

In FY 1986, the $20 million Title III program will continue the successful experience of the previous Title III effort. External evaluations in 1980, 1982, and 1984 recognized the policy and development benefits of the program despite the chaotic political and economic environment in which it was implemented. The new program will continue to serve as one of A.I.D.'s principal policy-dialogue instruments with the GOB. The goals of the FY 1986 Title III agreement will be to: (1) encourage continuation of appropriate macro-economic policies, (2) reduce Bolivia's foreign exchange expenditures for essential wheat imports, (3) foster the development of agriculture and agribusiness, and (4) encourage the growth of the private sector. The local currency proceeds from the sale of the Title III commodities will contribute to the revitalization of the private sector by providing funds for preinvestment studies, agroindustrial credit, assistance to marketing cooperatives and producer associations, and support to other A.I.D. projects.

Housing Guaranty (HG) Program. In FY 1983, a Housing Loan Guaranty (HG-007) was signed with the GOB and Bolivia's private savings and loan (S&L) system. It was designed to expand the private sector's capacity to meet shelter needs of Bolivia's low and medium-income families. Disbursement of these funds, however, has been held up because of Bolivia's economic and political difficulties. In the interim, local currency proceeds from the sale of agricultural products under the Disaster Recovery project (511-0581) have been channeled to the S&L system helping it to survive its liquidity crisis. Based on the economic reforms already enacted by the new government, A.I.D. plans to do an analysis of the sheltor finance sector and, depending on the results, will consider initial disbursement in FY 1986 of the $15 million HG which was approved in FY 1983.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Bolivia in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from Bolivia in the fields of agriculture, rural development, seed production, agribusiness, water and sanitation management, agricultural economics, public administration, narcotics control, and democratic institutions.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Bolivia are as follows:

None for Bolivia in FY 1985

C. Local currency associated with A.I.D. assistance to Bolivia was allocated by A.I.D. and the Government of Bolivia for the following uses in FY 1985. (There was a total of $612,000 in local currency available for allocation at the beginning of FY 1985, and an equivalent of $13.4 million was added during FY 1985.):

Wheat Production Promotion	$ 508,000
Cooperative Development	572,000
Access Road Construction	50,000
Ministry of Agriculture Reorganization	186,000
Community Conservation	40,000
Micro-Irrigation Systems	7,000
Scholarships	119,000
Rural Development Studies	27,000
Communicable Disease Control	316,000
Support to Economic Analysis Unit	424,000
Support to the Secretariat for the Development of the Bolivian Tropics	462,000
Title III Program Administration	763,000
Rural Housing Program	1,377,000
Medicine Distribution	55,000
Community Development	120,000
Agricultural Inputs	41,000
Total	$5.1 Million

D. Reprogramming of funds for Bolivia during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	Other
- Estimated FY 1985 Obligations	10,550	6,850	10	655	1,300	1,735	- 0 -
- Actual FY 1985 Obligations	18,084	6,840	10	714	1,300	1,720	7,500*

*International Disaster Assistance

E. Funds and Programs provided to Bolivia in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Bolivia
DA	$ 3.1 million (29%)	$ 7.5 million (71%)
P.L. 480 Title I	- 0 -	20.0 million (100%)
P.L. 480 Title II	8.6 million (100%)	- 0 -
Total	11.7 million (30%)	27.5 million (70%)

Requested Year Program (FY 1987)

The FY 1987 A.I.D. program, totalling $9.3 million in Development Assistance and $20 million in Economic Support Funds, will provide continued support for the GOB's economic program and for the nation's narcotics control efforts. A.I.D. will also encourage the GOB to increase its reliance on private sector organizations where there are more efficient, effective alternatives to public agencies. Institution building and technology transfer will help the private sector participate more fully in Bolivia's economic recovery.

Economic Support Fund (ESF) ($20 million). The Economic Stabilization and Recovery Program (511-0570) will provide the GOB with $20 million for balance-of-payments support to assist the government to continue implementing its economic reform program which began in August 1985.

Agriculture, Rural Development and Nutrition ($4.3 million). The projects in this sector will continue support of A.I.D.'s agricultural diversification activities in the Chapare and will promote private agricultural development throughout Bolivia. The Agribusiness and Artisanry project (551-0472) will continue to offer development financing to the nation's entrepreneurs in agribusiness and artisanry. The Private Agricultural Organizations project (511-0589) will strengthen the production, research and extension, marketing and resource management of private agricultural organizations to increase their responsiveness to the needs of rural producers. The Market Town Capital Formation project (511-0573) will continue to promote private sector development in secondary towns. The one new project in this funding category, Chapare Marketing and Agribusiness (511-0576), will build on the foundation established by A.I.D.'s earlier Chapare Regional Development project (511-0543). It will strengthen existing and develop new agribusiness and marketing facilities in the Chapare which are needed for non-coca agricultural products.

Health and Population Planning ($630,000). The Self-Financing Primary Health Care project (511-0569) will continue to provide low-cost health services through existing private sector organizations. The project will extend its focus beyond the rural and semi-urban areas of Santa Cruz to the Departments of La Paz and Cochabamba.

Child Survival ($1.292 million). Funding will be provided in FY 1987 to continue and expand the PVO projects started in FY 1986 to promote oral rehydration therapy and improve water and sanitation facilities.

Education and Human Resources ($760,000). Resources in this sector will continue enhancement of Bolivia's private sector. The Management Training project (511-0580) will improve the skills of Bolivia's small and medium-sized businessmen and managers of medium- and large-scale enterprises. The Training for Development project (511-0584) will offer academic and technical training to leading individuals in the private and public sectors and provide educational visits to the United States for promising young people from Bolivia's rural areas.

Selected Development Activities ($2.3 million). A.I.D. activities in this sector will emphasize policy reform, private sector exports and technology transfer. The Policy Reform project (511-0571) will continue to institutionalize the capability of the GOB's Ministry of Planning to conduct macro-economic and sectoral policy analyses and to formulate policy recommendations. The Private Sector Second Story Bank project (511-0572) will provide an institutional mechanism offering credit and technical assistance to agroindustrial and export enterprises. The Handicraft Export Development project (511-0583) will continue to train artisans in improving the design and quality of their products and assist them in identifying new international markets for their merchandise. A.I.D. has reserved $150,000 for the Special Development Activities project (511-0412) which provides small income-generating development grants to communities beyond the reach of other programs. A new project, Agricultural Marketing Enhancement (511-0575), will assist agroindustrial firms and producer organizations in exporting agricultural products.

P.L. 480 Program ($28.3 million). Title II commodities ($8.3 million) in FY 1987 will be distributed through Catholic Relief Services, the Seventh Day Adventist World Services, Food for the Hungry International, and through a small GOB development agency. These food resources will be used for a variety of development and service programs such as self-help construction projects, health and nutrition education and surveillance, and the formation of cooperatives and cottage industries. These programs will continue support for nationwide school-feeding and maternal and child health activities. The food assistance will continue to be integrated with oral rehydration therapy and growth monitoring services offered at the mothers' clubs through the Oral Rehydration Therapy and Child Growth Monitoring project (511-0590).

An increment of $20 million for the Title III program will provide continued support for the GOB's economic recovery efforts and reduce the nation's foreign exchange expenditures for wheat imports.

Mission Director: David A. Cohen

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: BOLIVIA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 511-0000	74	C	---	---	2,754	1,997	280	270	200	250
AGRICULTURAL SECTOR II	L 511-0451	78	78	11,300	11,300	11,300	10,354	---	946	---	---
RURAL ACCESS ROADS II	G 511-0466	78	79	300	300	300	74	---	173	---	38
RURAL ACCESS ROADS II	L 511-0466	78	79	9,042	9,042	9,042	2,221	---	2,157	---	4,657
AGRIBUSINESS AND ARTISANRY	G 511-0470	77	87	1,200	1,200	1,200	719	---	481	---	---
AGRIBUSINESS AND ARTISANRY	L 511-0470	77	87	10,200	10,200	9,200	5,008	---	2,991	1,000	1,201
SMALL FARM PRODUCTION	G 511-0471	78	84	3,060	3,060	3,060	2,846	---	214	---	---
DEPARTMENTAL DEVELOPMENT CORPORATIONS	L 511-0511	78	79	7,000	7,000	7,000	636	---	5,000	---	1,364
CHAPARE REGIONAL DEVELOPMENT	G 511-0543	83	87	4,400	4,400	2,541	501	1,000	900	859	900
CHAPARE REGIONAL DEVELOPMENT	L 511-0543	83	87	12,500	12,500	12,500	[illegible]	---	4,050	---	5,500
MARKET TOWN CAPITAL FORMATION	G 511-0573	86	89	---	1,000	---	---	1,000	100	---	400
MARKET TOWN CAPITAL FORMATION	L 511-0573	86	89	---	5,000	---	---	1,000	150	900	630
CHAPARE MARKETING AND AGRIBUSINESS	* G 511-0574	87	90	---	2,000	---	---	---	---	341	100
CHAPARE MARKETING AND AGRIBUSINESS	L 511-0574	87	90	---	5,000	---	---	---	---	900	200
DISASTER RECOVERY	L 511-0581	84	85	5,700	5,700	5,700	---	---	4,000	---	1,700
PRIVATE AGR. ORGANIZATIONS	G 511-0589	86	90	---	2,000	---	---	300	300	200	300
MOTHER AND CHILD GROWTH MONITORING - OPG	G 511-0590	86	88	300	300	300	---	---	150	---	120

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*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOLIVIA

CP 87

PROJECT TITLE	* L/G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT				71,002	86,002	64,197	25,514	3,780	21,827	4,300	17,910
GRANTS				9,260	14,260	9,455	6,018	2,780	2,518	1,600	2,158
LOANS				61,742	71,742	54,742	19,496	1,000	19,309	2,700	15,752
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT	G 511-0000	74	C	---	---	27	20	30	28	30	28
TOTAL FOR ACCOUNT				---	---	27	20	30	28	30	28
GRANTS				---	---	27	20	30	28	30	28
LOANS				---	---	---	---	---	---	---	---
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT	G 511-0000	74	C	---	---	498	429	200	250	150	150
RURAL SANITATION	G 511-0458	77	80	310	310	310	153	---	152	---	---
RURAL SANITATION	L 511-0450	77	80	4,000	4,000	4,000	1,667	---	318	---	2,019
SELF FINANCING PRIMARY HEALTH CARE	G 511-0569	83	88	1,100	1,900	990	233	---	464	450	404
ORT AND CHILD GROWTH MONITORING - OPG	G 511-0593	85	86	136	176	34	---	32	35	---	46
TOTAL FOR ACCOUNT				5,546	6,346	5,832	2,487	232	1,220	600	2,609
GRANTS				1,546	2,346	1,832	820	232	902	600	590
LOANS				4,000	4,000	4,000	1,667	---	318	---	2,019
CHILD SURVIVAL FUND											
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G 511-9999	79	C	---	---	---	---	500	200	1,292	700
TOTAL FOR ACCOUNT				---	---	---	---	500	200	1,292	700
GRANTS				---	---	---	---	500	200	1,292	700
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											

*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOLIVIA

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	511-0000	74	C	---	---	616	548	70	290	60	60
RURAL DEVELOPMENT PLANNING		G	511-0471	78	84	3,950	3,949	3,949	3,003	---	290	---	656
RURAL EDUCATION II		G	511-0482	77	84	2,129	2,129	2,129	2,010	---	119	---	---
RURAL EDUCATION II		L	511-0482	77	84	10,000	10,000	10,000	7,544	---	2,456	---	---
MANAGEMENT TRAINING		G	511-0580	85	88	2,000	2,000	300	---	390	400	300	400
TRAINING FOR DEVELOPMENT		G	511-0584	85	88	2,500	2,500	200	---	420	376	400	500
TOTAL FOR ACCOUNT						20,579	20,578	17,594	13,105	880	3,921	760	1,616
GRANTS						10,579	10,578	7,594	5,561	880	1,465	760	1,616
LOANS						10,000	10,000	10,000	7,544	---	2,456	---	---
SELECTED DEVELOPMENT ACTIVITIES													
PROGRAM DEVELOPMENT AND SUPPORT		G	511-0000	74	C	---	---	617	519	300	350	160	204
SPECIAL DEVELOPMENT ACTIVITIES		G	511-0412	84	C	---	---	1,217	1,054	170	120	150	250
DEPARTMENTAL DEVELOPMENT CORPORATIONS		L	511-0511	79	79	3,000	3,000	3,000	43	---	2,940	---	---
LOW-COST SHELTER THROUGH PRIVATE SECTOR		G	511-0567	82	85	550	550	550	227	---	122	---	205
POLICY REFORM		G	511-0571	85	88	2,400	2,400	1,000	594	400	650	350	630
PRIVATE SECTOR SECOND STORY BANK		G	511-0572	86	89	---	1,500	---	---	1,000	300	200	350
PRIVATE SECTOR SECOND STORY BANK		L	511-0573	86	89	---	8,500	---	---	1,400	300	300	1,000
AGRICULTURAL MARKETING ENHANCEMENT	*	G	511-0575	87	89	---	1,500	---	---	---	---	230	100
HANDICRAFT EXPORT DEVELOPMENT		G	511-0583	85	88	3,000	3,000	370	---	500	673	400	730

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOLIVIA

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT						8,970	20,480	7,405	2,451	1,950	5,451	3,310	3,459
GRANTS						5,950	8,980	4,405	2,391	1,450	2,212	1,510	2,459
LOANS						3,020	11,500	3,000	60	500	3,239	800	1,000
INTERNATIONAL DISASTER ASSISTANCE													
DISASTER RECOVERY		G	511-0111	84	85	9,000	9,000	9,000	5,643	---	2,000	---	357
DISASTER RECOVERY		L	511-0061	84	85	37,800	37,800	37,800	7,244	---	25,000	---	5,556
TOTAL FOR ACCOUNT						46,800	46,800	46,800	12,887	---	27,000	---	5,913
GRANTS						9,000	9,000	9,000	5,643	---	2,000	---	357
LOANS						37,800	37,800	37,800	7,244	---	25,000	---	5,556
ECONOMIC SUPPORT FUND													
ECONOMIC STABILIZATION AND RECOVERY		G	511-0570	86	87	7,177	34,355	---	---	14,355	14,355	20,000	20,000
TOTAL FOR ACCOUNT						7,177	34,355	---	---	14,355	14,355	20,000	20,000
GRANTS						7,177	34,355	---	---	14,355	14,355	20,000	20,000
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY						159,054	254,531	142,255	57,759	47,647	74,203	29,292	52,235
GRANTS						42,512	79,489	32,712	21,652	21,147	23,880	25,792	27,908
LOANS						116,542	175,042	109,543	36,107	26,500	50,323	3,500	24,327

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*Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title Chapare Marketing and Agribusiness	Funding Source ARDN	AG, RD & N (L) 800 (G) 341	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 800 (L) 341 (G)		Life of Project Funding 8,000 (L) 2,000 (G)
Number 511-0576 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 90	Estimated Completion Date of Project FY 91

Purpose: To strengthen existing and develop new agribusiness and marketing facilities to provide new outlets for Chapare agricultural produce.

Project Description: The Chapare Marketing and Agribusiness project will complement assistance on cacao control provided by the on-going Chapare Regional Development Project (CRDP) which is intended to develop cropping and marketing alternatives for farmers affected by Government of Bolivia (GOB) coca control efforts. The current CRDP has three main components: research and extension, development of private sector market channels for existing licit Chapare agricultural products, and institution building/coordination to facilitate project implementation. Infrastructure improvement efforts are being financed under other A.I.D. projects and community development efforts are financed with P.L. 480 local currency reflows.

The Chapare Marketing and Agribusiness Project will finance agro-industrial feasibility studies, investments, marketing infrastructure, and services such as: warehouses, collection centers, market information services, and transport services. The project will continue to support the institution building process begun under the CRDP and will provide grant funds for operating costs of the Bolivian Agricultural Technology Institute and the Secretariat for Development of the Bolivian Tropics.

Relationship of Project to A.I.D. Country Strategy: The project will support A.I.D.'s long-term strategy of promoting economic growth to improve the well-being of Bolivia's rural poor. In addition, it will will continue to support A.I.D.'s Narcotics Policy Determination which assigns a high priority to development activities which produce economic alternatives for farmers in drug producing areas.

Host Country and Other Donors: Project resources will be augmented by GOB counterpart funds, by P.L. 480 Title III local currency generations, and by private sector contributions. Counterpart funds will be used primarily to support operating costs of the GOB implementing institutions. Title III funds will continue to be used to support community development and infrastructure projects. The Bolivian private sector will partially finance agroindustrial or marketing subprojects. Private sector contributions will, in all cases, be equal to at least 25% of total subproject costs.

Beneficiaries: The direct beneficiaries will be the firms, individuals or cooperatives that receive loans for agroindustrial or marketing activities as well as the small farmers who sell or market produce to or through these agroindustrial or marketing entities.

Major Outputs	All Years
Marketing Information Unit Established	x
Marketing/Distribution Network Established	x
Feasibility Studies Conducted	10
Agro-Industrial Enterprises Created	5
Small Entrepreneurs Trained	200

AID-Financed Inputs	Life of Project ($000) Loan	Grant
Technical Assistance	500	2,000
Training	800	
Credit Fund	6,000	
Other Costs	700	
TOTAL	8,000	2,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 87	800(L) 341 (G)	7,200 (L) 1,659 (G)	8,000 (L) 2,000 (G)	

AID 370-7 (11-85)

PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title Agricultural Marketing Enhancement	Funding Source SDA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 250		Life of Project Funding 1,500
Number 511-0575 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 250	Initial Obligation FY 87	Estimated Final Obligation FY 90	Estimated Completion Date of Project FY 90

Purpose: To assist Bolivian exporters of agricultural commodities and processed products by providing access to production and marketing information and services which will enable them to compete successfully in international markets.

Project Description: The Government of Bolivia (GOB) has often stated the importance of expanding private sector exports, but has not taken the actions needed to improve the economic climate and increase exports. Recently, however, the GOB has adopted a package of new economic policies which are creating economic conditions in which exports may be expected to increase. The package includes new foreign exchange regulations to maintain a realistic exchange rate system. This will eliminate the most serious constraint affecting exports in the past.

The Agricultural Marketing Enhancement project will deal with several problems which have constrained Bolivian agricultural exports. These constraints are: a lack of knowledge of world market conditions and quality standards for exports; inadequate access to export promotion and marketing services; lack of information regarding production technologies, and inadequate quality controls which prevent Bolivian products from being competitive in world markets.

The project will address these problems by providing product-specific assistance to agricultural producer associations and industry groups. These associations will then provide export development and product improvement services to their members.

The project will also develop information systems for the groups served. Information will be obtained from subscription services regarding prices, tariffs, imports, product requirements, technical specifications, packaging needs, production techniques, consumer profiles, and the identity of domestic or international marketing firms.

Relationship of Project to A.I.D. Country Strategy: The project will support A.I.D.'s Private Enterprise Development Policy which places emphasis on export promotion. The project will also serve as a mechanism for addressing policy issues such as exchange rates, export incentives, investment laws, import taxes and similar topics. In addition, the project will contribute directly to A.I.D.'s principal short-run development objective which is to rebuild and strengthen private sector firms and institutions in order to revitalize the Bolivian economy.

Host Country and Other Donors: Counterpart resources will be provided by the Bolivian producer and manufacturing associations which receive assistance under the project.

Beneficiaries: The direct beneficiaries will be the farmers and firms which increase their exports. Employees working for these entities will also benefit directly in terms of increased employment opportunities and higher wages made possible by selling in export markets.

Major Outputs	All Years
Data Collection System Established	X
System for Providing Product, marketing and banking information to exporters established	X
Quality Standards for Export Products Developed	X
Participants trained	10
Marketing/Export Promotion Studies	4

AID-Financed Inputs	Life of Project ($000)
Technical Assistance	1,350
Training	100
Other Costs	50
Total	1,500

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	250 (G)	1,250 (G)	1,500 (G)	

AID 370-7 (11-85)

PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title Private Voluntary Organizations		Funding Source	AG, RD & N	CS 1,292 (G)	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,292 (G)	Life of Project Funding Continuing
Number 511-9999 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY Continuing Estimated Completion Date of Project FY Continuing

Purpose: To assist U.S. and indigeneous private voluntary organizations (PVOs) to implement child survival initiatives and related activities to improve the health status of rural Bolivians, especially infants and children under four years of age.

Project Description: During FY 1987, A.I.D. will continue to support child survival and related health activities initiated by U.S. PVOs in FY 1986. Hospital discharge data show that digestive tract ailments, many of which relate to unsafe water, poor sanitary conditions and low health awareness, were the first cause of morbidity among 19 principal diseases. As a consequence, the health status of Bolivian children under four years of age is the lowest in South America. Key factors contributing to this condition are the scarcity of potable water in rural areas and the absence of adequate health services and health education at the community level.

CARE will implement a program to reduce the mortality and morbidity rate due to diarrhea. CARE will develop, in concert with the Ministry of Health (MOH) and the Departmental Development Corporations (DDCs), an integrated health promotion and potable water program in 200 rural communities. The health promotion component will include training of community-level health committees, health promoters and other community members in oral rehydration therapy, correct hygiene, and protection of water supplies. The health promotion component will also provide oral rehydration salts. The water supply component will involve the construction of simple low cost water systems. The community health committees will be trained in and be responsible for operation and maintenance of water systems. The operation and maintenance costs will be paid by collecting users fees from community residents.

Another child survival activity will be implemented by the local International Planned Parenthood Affiliate. Through this grant the institution will provide oral rehydration therapy services, in combination with child spacing.

Relationship of Project to A.I.D. Country Strategy: One basic objective of the A.I.D. program in Bolivia is to improve the health status of the country's population, especially children, through private private sector mechanisms. This project, which complements other health activities initiated in 1986, furthers this objective.

Host Country and Other Donors: The private voluntary organizations will contribute their own funds to these activities. In addition, each participating community will contribute labor and materials required for the water supply component of the CARE project. The contribution of participating communities, excluding users fees, will be about $1,500,000.

Beneficiaries: The major beneficiaries of the project will be rural children under four years of age. Other beneficiaries include the adult population of communities participating in the potable water program. In particular, women will enjoy a reduced work burden of carrying water and improved health as a result of better child spacing.

Major Outputs	All Years
Reduced infant and child mortality	X
Potable water systems installed	200
Family latrines built	10,000
Community health promotion/water committees established	200
Improved child spacing	X

A.I.D. Financed Inputs	FY 1987 ($000)
Grants to PVOs	1,292

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,292 (G)	Continuing	

Principal Contractors or Agencies

AID 370-7 (11-85)

ECUADOR

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                                         FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (518) ECUADOR

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)      9,378

PER CAPITA GNP.......... (DOLLARS,1983)      1,420

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  4.6%

ANNUAL RATE OF INFLATION (1973-83) 16.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION. (1970)   1.8%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                       (1985)   TOTAL 63.7  MALE 61.8  FEMALE 65.8
                       (1970)   TOTAL 55.9  MALE 54.0  FEMALE 57.8

ADULT LITERACY RATE  (1982)   TOTAL  86%  MALE  88%  FEMALE  83%

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*AGRICULTURE*
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ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                            (1975-1984)   0.2%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    14%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        122


MAJOR CROP(S)                                        ARABLE LAND  YEAR
  SUBSISTENCE: POTATOES ,PLANTAINS ,CORN                   30%   (1984)
  CASH: COCOA BEANS ,COFFEE ,RICE                          4%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,BANANAS ,COCOA BEANS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SOYBEAN OIL ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1980)    48%
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*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1982) -   1,561 (83)        721 (84)      1,194
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1982)     2,188 (83)        966 (84)      1,279
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1982)      -627 (83)       -245 (84)        -86
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1980) 12.5% (81) 11.8% (82) 10.7%
  AS % OF GNP................. (1980)  1.9% (81)  2.0% (82)  1.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)            (1982)   429 (83)   769 (84)   736
  EQUIVALENT TO  4.6 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
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MAJOR EXPORTS(1983)PETROLEUM      .BANANAS        .COFFEE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,025  (1983)1,260  (1984)1,601
   AS % OF TOTAL EXPORTS (1981)   46% (1982)   48% (1983)  57%

MAJOR IMPORTS(1983)AG/IND MACHINER,IND RAW MATERIA,BLDG SUPPLIES

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  741  (1983)  498  (1984)  591
   AS % OF TOTAL IMPORTS (1981)   38% (1982)   38% (1983)  38%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    183(82)    162(83)   957

TRADING PARTNERS: UNITED STATES ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    60.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   874
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  36.9%
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*SOCIAL DATA*
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POPULATION GROWTH RATE.. (1970)   3.1% (1978)   2.9% (1985)  2.8%

POPULATION IN URBAN AREAS............(1970)    40%   (1985)   48%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)           (1985)    36

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.  (1982)  39.9%

POPULATION (1985) IN AGE GROUP:
                  (0-14YRS) 43.4% (15-64YRS) 53.3% (65+ YRS)  3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  63

PEOPLE PER PHYSICIAN................ (1980)    927

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA        .MALARIA          .TYPHOID FEVER
DEATH.. (1978) ENTERITIS        .ILL-DEFINED CAUS.PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1980)    74%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982)  52%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1982)  TOTAL   121   MALE   122    FEMALE   119
SECONDARY....... (1982)  TOTAL  59.5   MALE  51.9    FEMALE  51.2
POST SECONDARY.. (1980)  TOTAL  30.4   MALE  38.3    FEMALE  22.5

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1983)      307%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ECUADOR

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	11.8	18.5	22.9	26.6	28.9	493.2	129.7	363.5
Loans	6.0	9.6	12.1	2.7	14.0	200.8	129.7	71.1
Grants	5.8	8.9	10.8	23.9	14.9	292.4	-	292.4
a. A.I.D. and Predecessor Agencies	8.3	12.5	17.3	21.5	22.6	252.7	70.9	181.8
Loans	6.0	9.6	12.1	2.7	14.0	143.5	70.9	72.6
Grants	2.3	2.9	5.2	18.8	8.6	109.2	-	109.2
(Economic Support Fund)	-	-	-	-	-	21.9		
b. Food for Peace (PL 480)	0.9	2.3	2.4	1.8	2.7	84.0	30.5	53.5
Loans	-	-	-	-	-	29.3	30.5	1.2-
Grants	0.9	2.3	2.4	1.8	2.7	54.7	-	54.7
Title I – Total Sales Agreements	-	-	-	-	-	29.3	30.5	1.2-
Repayable in U.S. Dollars – Loans	-	-	-	-	-	20.9	20.5	0.4
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	8.4	10.0	1.6-
Title II – Total Grants	0.9	2.3	2.4	1.8	2.7	54.7	-	54.7
Emerg. Relief, Econ. Develop. & World Food Program	0.2	1.0	1.1	0.7	1.5	11.5	-	11.5
Voluntary Relief Agencies	0.7	1.3	1.3	1.1	1.2	43.2	-	43.2
c. Other Economic Assistance	2.6	3.7	3.2	3.3	3.6	156.5	28.3	128.2
Loans	-	-	-	-	-	28.0	28.3	0.3-
Grants	2.6	3.7	3.2	3.3	3.6	128.5	-	128.5
Peace Corps	2.2	3.1	2.8	3.2	3.4	44.8	-	44.8
Narcotics	0.4	0.3	0.4	0.1	0.1	79.0	-	79.0
Other	0.1	0.3	*	0.1	0.1	4.8	-	4.8
II. MILITARY ASSISTANCE – TOTAL	3.3	4.3	5.0	4.6	6.7	131.3	48.2	83.1
Credits or Loans	3.0	4.0	4.5	4.0	6.0	57.1	48.2	8.9
Grants	0.3	0.3	0.5	0.6	0.7	74.2	-	74.2
a. MAP Grants	-	-	-	-	-	32.0	-	32.0
b. Credit Financing – FMS	3.0	4.0	4.5	4.0	6.0	57.1	48.2	8.9
c. Military Assistance Service Funded (MASF) Grants	0.3	0.3	0.5	0.6	0.7	15.0	-	15.0
d. Transfers from Excess Stocks	-	-	-	-	-	10.4	-	10.4
e. Other Grants	-	-	-	-	-	16.8	-	16.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.1	22.8	27.9	31.2	35.6	624.5	177.9	446.6
Loans	9.0	13.6	16.6	6.7	20.0	257.9	177.9	80.0
Grants	6.1	9.2	11.3	24.5	15.6	366.6	-	366.6
Other U.S. Government Loans and Grants	1.2	2.7	-	-	1.5	44.8	113.1	68.3-
a. Export-Import Bank Loans	-	-	-	-	-	32.5	105.8	73.3-
b. All Other Loans	1.2	2.7	-	-	1.5	12.3	7.3	5.0

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.........	209.1	117.8	287.0	2292.8
IBRD	40.6	0.0	8.0	710.6
IFC	0.1	0.1	0.0	48.2
IDA	0.0	0.0	0.0	36.5
IDB	167.3	117.7	279.0	1441.4
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.2	0.0	0.0	45.7
OTHER-UN	0.9	0.0	0.0	10.4
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	7.0	10.0	38.0
Germany,Fed. Rep.	13.9	9.4	71.1
Japan	4.2	3.1	49.7
United Kingdom	1.2	1.1	13.4
Belgium	1.6	2.0	9.9
Other	9.3	12.5	41.4
Total	37.2	38.1	223.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1978-83
USSR	-	n/a	35
Eastern Europe	-	-	20
Total		-	55

ECUADOR

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	7,000	3,500	-	2,500	-	1,000	-	
Grants	25,465	5,110	1,034	7,254	4,060	3,593	4,414	
Total	32,465	8,610	1,034	9,754	4,060	4,593	4,414	
1986								
Loans	4,900	1,400	-	2,500	-	1,000	-	
Grants	37,697	7,650	800	1,150	4,750	3,250	20,097	
Total	42,597 1/	9,050	800	3,650	4,750	4,250	20,097 1/	
1987								
Loans	5,000	2,000	-	1,500	-	1,500	-	
Grants	32,500	7,850	1,246	1,000	3,204	4,200	15,000	
Total	37,500	9,850	1,246	2,500	3,204	5,700	15,000	

1/ Includes $6 million reobligation of prior year funds

FY 1987
PROGRAM HIGHLIGHTS

-$1 million for a new project in agriculture, Cacao Rehabilitation, to increase the productivity of cacao plantations and improve the quality of the beans being exported.

-$2.5 million for a new Capital Markets Development project to strengthen the capacity of private capital markets to mobilize domestic savings for productive investments.

-$15 million ESF to assist the Government of Ecuador to implement its economic stabilization and restructuring program, particularly in the external sector.

ECUADOR

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	15,410	14,850	13,893
Grants	8,794	43,346	38,419
Total AID	24,204	58,196	52,312
P.L. 480 **			
Title I	15,000	38,000	-
(of which Title III is)	(-)	(-)	(-)
Title II	629	1,719	495
Total P.L. 480	15,629	39,719	495
Total AID and P.L. 480	39,833	97,915	52,807

* *AID levels represent actual and estimated expenditures*
** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480
(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	112,000	15,000	38,000	5,000	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	112,000	15,000	38,000	5,000		
(of which Title III is)	-	-				
Title II 1/						
Voluntary Agencies	1,719	629	1,719	561	1,542	495
Government - to - Government	-	-	-	-	-	-
Title II Total	1,719	629	1,719	561	1,542	495
Total P.L. 480	113,719	15,629	39,719	5,561	1,542	495

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

ECUADOR

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	14	13	13
PASA[b]	2	1.4	3.1
TOTAL	16	14.4	16.1

[a] Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).

[b] On board end of year.

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	15	61	76	10	70	80	10	70	80
Regional[e]	9	26	35	12	50	62	15	60	75
TOTAL	24	87	111	22	120	142	25	130	155

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded by regional programs (e.g., CLASP, AMDP).

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	5	14	20	5	20	25	5	20	25
Regional[e]	-	-		-	50	50	-	-	
TOTAL	6	14	20	5	70	75	5	20	25

[a] In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.

[b] Academic: degree seeking.

[c] Technical: non-degree seeking.

[d] Participants funded under bilateral programs.

[e] Participants funded under regional programs (e.g., CLASP, AMDP).

ECUADOR

Development Overview

Ecuador's per capita income, estimated at $1,270, masks a large disparity in income levels between the modern urban sector and the remainder of the country. Many poor urban families live in make-shift shelters without water, sewage facilities or electricity. Much of the rural population (half of Ecuador's 9.4 million people) lives at subsistence levels; only about 15% of rural families have access to potable water and 25% to health services. Two-thirds of rural children leave school by the end of the fourth grade. The infant mortality rate is one of the highest in Latin America. Forty percent of the under-five population suffers from malnutrition.

During much of the 1970s, Ecuador's oil production helped to sustain high levels of economic growth. However, Ecuador became highly dependent on oil revenues to finance government expenditures and over-extended itself externally, borrowing heavily from overseas commercial banks to finance its development program. The crisis hit in the early 1980s when oil markets softened, interest rates rose and commercial bankers turned more conservative about foreign lending. During 1982-83 the Ecuadorean economy went into a sharp recession; gross domestic product declined, the balance-of-payments gap widened and the debt servicing burden became unmanageable without renegotiation.

The Government of Ecuador (GOE) promptly introduced a series of stabilization measures which resulted in a modest recovery in 1984. However, the economic recovery has been extremely fragile: oil exports represent 70% of foreign exchange earnings and a large share of government revenues, the external debt is equivalent to three years of total export earnings, and there is only limited political room for further austerity measures. The modest 2.7% growth rate predicted for the medium term, compared with a population growth rate of 2.8%, will mean further declines in real per capita income. The recent decline in world oil prices further underscores the fragile nature of the Ecuadorian economy.

Current economic problems include the following:

- Disincentives to agriculture have resulted in a growing dependence on imported foodstuffs and fibers;

- Decreases in world prices for Ecuador's traditional exports, especially oil, and the failure to expand non-traditional exports have contributed to growing current account deficits;

- The financial sector has inadequate capacity to mobilize and allocate domestic savings; and

- The industrial sector has been inward looking, utilizes capital and import-intensive technology, and has been dependent on extremely high levels of protection.

On the positive side, Ecuador enjoys an advantage which is almost unique among developing countries -- it has a democratically elected government which is strongly committed to opening the economy to market forces, reducing public sector intervention in the economy, increasing local and foreign private investment, and expanding the availability of food, housing and jobs. The austerity program of the current administration encompasses fundamental structural reforms. In its first year, the GOE:

1. Devalued its currency and reduced the gap between the official exchange rate and the free market rate;

2. Liberalized import and exchange transactions;

3. Raised domestic gasoline prices by 65% and diesel prices by 100%;

4. Raised interest rates on regular bank lending from 21% to 23% and decontrolled some other interest rates.

5. Brought inflation down from over 30% in 1984 to about 22% in 1985;

6. Virtually eliminated the fiscal deficit;

7. Held minimum wage increases to less than the inflation rate;

8. Opened the economy to foreign investment, concluded an agreement with the Overseas Private Investment Corporation (OPIC), and proposed major changes in the mining law to attract investment;

9. Eliminated price controls on 48 commodities.

In March 1985, the International Monetary Fund (IMF) approved a $107 million standby agreement. In addition to the standard IMF targets for net international reserves, net domestic assets and payments arrears, the GOE committed itself to eventual unification of exchange rates and the elimination of advance payments of local currency for the purchase of foreign exchange for imports. The GOE also plans to lower protective tariffs, attack tax fraud, eliminate controls on interest rates, and gradually reduce the internal petroleum subsidy.

U.S. Interests and Objectives

The A.I.D. program was reactivated in 1980 to support Ecuador's return to democratic government after eight years of military rule. Since that time, three presidents have presided over democratically elected governments, and there has been a gradual strengthening of democratic institutions despite the tensions resulting from a worsening economic environment and deteriorating standard of living. The current GOE maintains a warm relationship with the United States based on a shared commitment to democracy, a common view on the role of government, and an historically vigorous trade relationship. U.S. objectives in Ecuador are very much in line with the priorities of the current government -- namely, to encourage the democratic process and foster renewed economic growth through the promotion of a viable private sector. To accomplish this, the United States is encouraging U.S. trade and investment and providing modest levels of economic assistance to the GOE and to private institutions.

A.I.D. Development Strategy

A.I.D. is assisting the GOE to stabilize the external sector and restructure the economy along competitive lines. A.I.D. supports efforts to create a more competitive and vigorous private sector and a more efficient public sector. U.S. economic assistance during the next few years is particularly important to ensure that imports can be maintained at reasonable levels while the debt burden is being reduced and the structural reforms needed for long-term growth are introduced. The strategy involves three elements.

First, A.I.D. seeks to increase production in those sectors in which Ecuador has a comparative advantage, principally agriculture and related agro-industries. These sectors can yield sizable gains in output and foreign exchange earnings. A.I.D.-assisted activities address the policy, institutional and technological constraints which adversely affect small and medium-sized private farms and businesses. A.I.D. will support programs:

- to improve capital markets;
- to stimulate non-traditional exports and to rehabilitate selected traditional exports;
- to train the technical and managerial personnel needed by the private sector;
- to analyze economic problems and policies inhibiting private sector development; and
- to develop new channels to disseminate technical and market information.

Second, A.I.D. will support activities to help the GOE put its internal economic affairs in order. These activities include efforts to improve tax administration (thereby permitting an eventual reduction of tax rates); to help the GOE improve the budgeting process and the operation of capital markets; and to reduce government intervention in the agricultural sector.

Third, A.I.D. will support activities to ensure that basic human needs are met through an appropriate combination of private and public sector efforts. A.I.D.'s strategy focuses on housing and health. Housing construction is important due to the need to improve inadequate existing facilities and the need to create jobs. A.I.D. will seek to improve construction standards and techniques, introduce effective financing methods, direct resources to upgrading activities which reach those most in need, and encourage greater private sector and local government participation in the housing sector. Health and population are also areas in which A.I.D. can have a major impact, especially on low-income families. A.I.D.'s effort will focus on reducing infant mortality and lowering the population growth rate.

A.I.D. Program (FY 1985 and FY 1986)

During FY 1985, A.I.D. continued to support the developmental and disaster rehabilitation efforts initiated during the 1980-1984 period. At the same time, A.I.D. launched a variety of new programs to support the GOE's structural adjustment and economic revitalization program. The main objective of this support is to sustain private sector growth through a more market-oriented and outward-looking economy. Also, A.I.D. initiated development assistance projects involving agricultural and macroeconomic policies, tax administration, tax policies, land titling, and reduction of infant mortality and malaria. Economic Support Fund (ESF) and P.L. 480 Title I programs were also initiated in FY 1985. Following are the major A.I.D. program areas for the two fiscal years:

Agriculture, Rural Development and Nutrition. A.I.D.'s objectives in this sector are to increase production and productivity and to increase non-traditional agricultural exports, while maintaining market shares in traditional exports. A.I.D. provided a total of $8.6 million to the sector in FY 1985. Funding for ongoing projects was provided for: the Forestry Sector Development project (518-0023), which aims to establish agroforestry activities at the farm level and expand pine plantations to control desertification; the Rural Technology Transfer System project (518-0032), which has consolidated the institutional ability of at least four producer associations to better coordinate efforts with research institutions and to provide services to its members; the Non-traditional Agricultural Exports project (518-0019), which has resulted in sales of three new products in new external markets; and the Private Sector Development operational program grant (OPG 518-0047). A total of $5.4 million was provided to initiate three new projects: the Agricultural Sector Reorientation project (518-0051) which has established an Agricultural Policy Institute within the private sector, the Land Titling project (518-0059) with the International Executive Service Corps, and the Agricultural Education OPG (518-0062). PD&S funds were used for studies and design work for the Land Titling and Agricultural Sector Reorientation projects. Progress was made on key policy issues such as divestiture of parastatals and pricing.

During FY 1986, A.I.D. will continue to assign high priority to agriculture, committing $9.05 million, or 40% of total DA resources, to this sector. A new Coffee Leaf Rust Control project (518-0054) will assist 4,000 producers to control coffee rust and maintain levels of production and income. Life-of-project funding is $5 million, with an initial tranche of $2 million in FY 1986. A.I.D. will provide additional funding for ongoing projects including the Non-traditional Agricultural Exports project (518-0019), the Rural Technology Transfer System project (518-0032), Agricultural Sector Reorientation project (518-0051), the Land Titling project (518-0059) and several OPGs. PD&S funds will be used for project design, studies, and research relevant to the A.I.D. program.

Urban Development. During FY 1985, the GOE and A.I.D. continued efforts to expand the supply of, and access to, low cost shelter solutions through implementation of the $20 million Solanda Low-Income Housing project (518-HG-005) and provision of the first $10 million of the $25 million National Housing project (518-HG-006). Agreement was also reached on the scope and objectives of the National Shelter Delivery System project (518-HG-007). Significant progress was achieved orienting GOE initiatives toward low-income family housing needs on a cost-recoverable basis.

In FY 1986, A.I.D. and the GOE will concentrate on implementation of HG-005 and HG-006 and on negotiating and contracting for HG-007.

Education and Human Resources. In FY 1985, A.I.D. provided $4.06 million for partial funding of a new Fiscal Administration Development project (518-0042), and for incremental funding of ongoing OPGs in technical skills training and environmental education. PD&S funds were used for project design, evaluations, and a narcotics use prevention activity. FY 1985 activities focused A.I.D. human resources development efforts toward meeting private sector managerial and worker skills training needs.

In FY 1986, A.I.D. will initiate, together with the Guayaquil private sector, a Graduate Management Training project (518-0035) to help cover a shortage of graduate-level managers for private enterprises. The life-of-project A.I.D. funding will be $7 million with an initial tranche of $2.5 million in FY 1986. A second effort to be started is the Technical Skills Development project (518-0055) with life-of-project funding of $5 million and an initial tranche in FY 1986 of $1.0 million. This project will provide training for workers and mid-level managers in small and medium-sized enterprises. PD&S resources in the education account will be used for project design and evaluation. OPG funds will cover incremental funding of ongoing PVO projects.

Health and Population Planning. A.I.D.'s objectives in these two sectors are to reduce incidence of immunopreventable diseases, to reduce infant morbidity and mortality, and to expand access to, and improve the quality of, family planning services in Ecuador. In FY 1985, A.I.D. provided $9.13 million of DA resources to initiate a major Child Survival effort (part of the Integrated Rural Health Delivery System project 518-0015) and a Malaria Control project (518-0049). The launching of the child survival program resulted in an unprecedented coverage of 400,000 infants in the first vaccination campaign. In health, a decentralized health delivery model has been initiated in seven areas (four more than the project goal). A Private Sector Health Delivery Model OPG project (518-0060) was initiated in FY 1985 to test the health maintenance organization concept in Ecuador. Additionally, $984,000 was allocated to continue the Population and Family Planning project (518-0026). As a result, three private family planning organizations have been strengthened, and their services expanded.

In FY 1986, efforts in health and population will concentrate on implementation of ongoing projects. No new projects are planned, although the population project will be revised and extended to 1990. A.I.D. will provide $3 million of incremental funding for the Malaria Control project

(518-0049), $750,000 for the Population and Family Planning project (518-0026) and $400,000 for ongoing OPGs. PD&S resources will cover studies, technical assistance and evaluations of the ongoing program.

Selected Development Activities (SDA). A.I.D. provided $4.6 million in FY 1985 for SDA activities. This included $2.5 million for the Fiscal Administration Development project (518-0042), $362,000 of incremental funding for the Macroeconomic Policy Analysis project (518-0050), under which A.I.D. funded technical assistance which contributed to the successful rescheduling of Ecuador's foreign debt, the negotiation of an IMF standby agreement, and the establishment of the mechanisms to unify the exchange rate; $265,000 for ongoing technical assistance in housing; and $100,000 for the Special Development Activities project (518-0004). Through ongoing PVO projects in microenterprise development, 1,242 small businesses in the informal sector received credit and technical assistance to expand production and sales. A new OPG, Child, Family and Community Development (518-0061), was initiated to support the National Institute of the Child and Family (INNFA), a local PVO headed by Ecuador's First Lady. PD&S funds were used for technical assistance, project design, and evaluations.

In FY 1986, A.I.D. will provide $4.25 million of SDA resources. A Small Business Development project (518-0056) with life-of-project funding of $5 million will be initiated with an initial tranche of $1 million. Incremental funding will provide $1.5 million for the Fiscal Administration Development project (518-0041), $400,000 for the Macroeconomic Policy Analysis project (518-0050), $200,000 for the Special Development Activities project, and $400,000 for PVO activities. PD&S funds will finance project design, studies, evaluations and technical assistance, particularly for private sector development.

Economic Support Fund (ESF). The present government has taken courageous steps to resolve difficult balance of payments, fiscal and inflationary situations by dramatically changing economic policy to rely on market forces and individual initiative. The U.S. Government is supporting these initiatives to lessen the short-term social and political costs which normally occur in such transition periods. In FY 1985, A.I.D. provided $4 million under the Economic Stabilization and Recovery program (518-0058) for balance-of-payment support to the GOE. An additional $20.097 million has been made available in FY 1986. The dollar resources will be provided for general balance-of-payment purposes. Local currency associated with the transfer of resources will be used to finance El Nino disaster rehabilitation projects, investment credit, support to the GOE housing program, and counterpart for A.I.D. supported projects. A modest Trust Fund for A.I.D. operating expenses will be considered in FY 1986.

P.L. 480 Title I. The FY 1985 P.L. 480 Title I agreement financed wheat imports on a concessional basis and will generate the local currency equivalent of $14.25 million . The GOE committed itself to self-help measures dealing with divestiture of parastatals and pricing policy. The local currency will be used to strengthen the role of private sector producer organizations, support the Ministry of Agriculture's plan to reorient agricultural programs, provide GOE counterpart funding for the Child Survival initiative and new rural development projects, plus operating costs of a P.L. 480 secretariat to manage sales generations. In FY 1986, a new P.L. 480 Title I agreement for $5 million will supplement this program. Local currency generations will be used for increased support to private sector activities.

P.L. 480 Title II. The FY 1985 P.L. 480 Title II program of $629,000 was implemented through a government-to-government program and through two voluntary agencies, Cooperative for American Relief Everywhere (CARE) and Catholic Relief Services (CRS). The CARE program, which supported a nationwide maternal and child health program, ended in June 1985. The FY 1986 program will be implemented by CRS at a reduced level of $561,000.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Ecuador in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from Ecuador in the fields of agriculture, management, rural development, health, and private sector development.

B. The types of goods associated during FY 1985 with ESF cash transfers by A.I.D. to Ecuador are as follows:

None for Ecuador in FY 1985

C. Local currency associated with A.I.D. assistance to Ecuador was allocated by A.I.D. and the Government of Ecuador for the following uses in FY 1985. (There was no local currency available for allocation at the beginning of FY 1985, and none was added during FY 1985):

None for Ecuador in FY 1985

D. Reprogramming of funds for Ecuador during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1985 Obligations	26,067	9,110	550	7,754	4,060	4,593	---
- Actual FY 1985 Obligations	32,465	8,610	1,034	9,754	4,060	4,593	4,414

E. Funds and Programs provided to Ecuador in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Ecuador
DA	$ 7.50 million (27%)	$20.5 million (73%)
ESF	.4 million (9%)	4.0 million (91%)
P.L. 480 Title I	- 0 -	15.0 million (100%)
P.L. 480 Title II	.63 million (100%)	- 0 -
Total	$ 8.53 million (18%)	$39.5 million (82%)

Requested Year Program (FY 1987)

The A.I.D. program proposed for FY 1987 will continue to assign priority to stabilize, revitalize and restructure the economy. The Development Assistance program planned for the year is $22.5 million, including $3.5 million for new projects and $19 million for ongoing projects. A third tranche of $15 million for the Economic Stabilization and Recovery program (518-0058) is planned for FY 1987.

Agriculture, Rural Development and Nutrition. In FY 1987, A.I.D. will provide $9.85 million to support agricultural projects including $900,000 for the Non-traditional Agricultural Exports project (518-0019); $1 million for the Rural Technology Transfer System project (518-0032); $1.7 million for the Agricultural Sector Reorientation project (518-0051); $1 million for the Coffee Leaf Rust Control project (518-0054); and $3.1 million for the Land Titling project (518-0059). A new Cacao Rehabiliation project (518-0053) will be started in FY 1987 to raise the productivity and improve the quality of cacao plantations. Life-of-project funding will be $3.5 million with an initial tranche of $1.0 million in FY 1987. PD&S funds will be used for project design, evaluation and studies.

Urban Development. During FY 1987, A.I.D. will emphasize implementation of the existing Housing Guaranty projects. It is expected that 33,000 shelter solutions and 11,000 home improvement loans will be completed by the end of the year. A.I.D. will continue to encourage the adoption of policies that result in non-subsidized housing solutions that are affordable to low-income groups.

Health and Population Planning. Development Assistance resources of $3.7 million will support the Malaria Control project (518-0049), the Population and Family Planning project (518-0026), ongoing OPG activities, and PD&S needs in project design and evaluation. A.I.D. expects to consolidate and institutionalize the four child survival strategies, to reduce incidence of immunopreventable diseases, and to further expand family planning services.

Selected Development Activities. A new project planned for FY 1987 is Capital Markets Development (518-0063). The project will strengthen the capacity of private capital markets to mobilize domestic savings for investments in productive sectors. Life-of-project funding will be $6 million, with an initial tranche of $2.5 million in FY 1987. A.I.D. will provide incremental funding totaling $3.0 million for the Fiscal Administration project (518-0042), the Macroeconomic Policy Analysis project (518-0050), the Small Business Development project (518-0056), ongoing OPG projects, the Special Development Activities project (518-0004), and PD&S requirements.

Economic Support Fund (ESF). In addition to IMF assistance and debt renegotiations already completed, the GOE will need to continue special measures for management of external payment obligations and to sustain essential commodity and capital imports. A $15 million addition to the ESF Economic Stabilization program (518-0058) is planned for FY 1987 to continue needed balance-of-payment support, encourage private investment, and support public sector development expenditures.

P.L. 480 Title II. The FY 1987 P.L. 480 Title II program of $495,000 will continue to provide nutritional assistance to vulnerable segments of the Ecuadorean population. The program will be implemented through CRS.

Mission Director: Orlando LLenza

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 87

PROJECT TITLE	* L PROJECT / NUMBER *	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT - PD	[illegible]	73	C	---	---	7,039	1,141	350	1,500	750	900
INTEGRATED RURAL DEVELOP., AGRICULTURE	[illegible]	[illegible]	84	2,000	2,000	2,000	1,274	---	500	---	170
INTEGRATED RURAL DEVELOP., AGRICULTURE	L [illegible]	80	84	9,800	9,800	9,800	5,111	---	2,800	---	1,300
RURAL YOUTH DEVEL. FOUNDATION 4-F (OPG)	[illegible]	80	82	445	445	445	347	---	100	---	30
NON-TRADITIONAL AGRICULTURAL EXPORTS	[illegible]	84	90	3,400	4,400	1,100	114	900	400	900	900
NON-TRADITIONAL AGRICULTURAL EXPORTS	L [illegible]	84	90	4,000	4,000	4,000	---	---	100	---	1,300
FORESTRY SECTOR DEVELOPMENT	[illegible]	82	85	1,500	1,500	1,500	559	---	400	---	539
FORESTRY SECTOR DEVELOPMENT	L [illegible]	82	85	6,500	6,500	6,500	751	---	1,000	---	2,000
RURAL TECHNOLOGY TRANSFER SYSTEM	[illegible]	[illegible]	87	5,300	5,300	3,700	2,305	600	1,000	1,000	1,000
RURAL TECHNOLOGY TRANSFER SYSTEM	L [illegible]	[illegible]	87	2,500	2,500	1,500	477	---	1,000	---	400
STRENGTHENING COMMUNITY ORGS. (OPG)	[illegible]	[illegible]	84	296	296	296	241	---	55	---	---
PRIVATE SECTOR DEVELOPMENT (OPG)	[illegible]	84	85	100	100	100	6	75	19	80	100
AGRICULTURAL SECTOR REORIENTATION PROG.	[illegible]	85	89	7,100	7,100	700	---	1,000	900	1,700	1,300
AGRICULTURAL SECTOR REORIENTATION PROG.	L [illegible]	85	89	1,400	1,400	1,400	---	---	600	---	650
CACAO REHABILITATION	* [illegible]	87	91	---	3,300	---	---	---	---	1,000	450
COFFEE LEAF RUST CONTROL	[illegible]	86	91	5,000	8,100	---	---	7,000	450	1,000	1,350

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*Refers to the planned project summary sheet

^C^Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

PROJECT TITLE	* L/G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SMALL FARMER SUPPORT SERVICES - OPG	G 518-0057	85	87	350	350	100	---	150	100	100	200
LAND TITLING	G 518-0059	85	88	3,300	3,300	900	---	1,100	700	1,100	900
LAND TITLING	L 518-0059	85	89	7,000	7,000	2,100	---	1,400	500	2,000	1,000
AGRICULTURAL EDUCATION-OPG	G 518-0062	85	89	490	650	275	---	175	190	100	200
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G 518-9999	79	C	---	---	---	---	---	---	150	40
TOTAL FOR ACCOUNT				57,124	65,574	40,728	17,005	9,050	13,770	9,850	15,779
GRANTS				25,824	34,274	14,328	8,677	7,650	6,770	7,850	8,129
LOANS				31,300	31,300	26,400	8,328	1,400	6,600	2,000	7,650
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT - PN	G 518-0012	79	C	---	---	158	114	50	25	50	25
POPULATION AND FAMILY PLANNING	G 518-0026	81	90	5,600	10,000	4,491	2,343	750	800	1,196	850
TOTAL FOR ACCOUNT				5,600	10,000	4,649	2,457	800	825	1,246	875
GRANTS				5,600	10,000	4,649	2,457	800	825	1,246	875
LOANS				---	---	---	---	---	---	---	---
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT - HE	G 518-0039	79	C	---	---	650	411	250	200	200	250
INTEGRATED RURAL HEALTH DELIVERY SYSTEM	G 518-0015	81	85	5,130	5,130	5,130	591	---	1,500	---	3,000
INTEGRATED RURAL HEALTH DELIVERY SYSTEM	L 518-0015	81	85	7,235	7,235	7,235	3,905	---	1,200	---	1,500
MALARIA CONTROL	G 518-0049	85	87	3,000	3,000	2,500	9	500	2,000	---	500
MALARIA CONTROL	L 518-0049	85	87	6,500	6,500	2,500	3	2,500	2,000	1,500	2,000
PRIV SECTOR HEALTH DEL MODEL-OPG	G 518-0060	85	85	400	400	400	---	---	100	---	120

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*Refer to the planned project summary sheet

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE AND VOL ORGANIZATIONS - OPG'S		G	518-9999	78	C	---	---	---	---	400	180	800	500
TOTAL FOR ACCOUNT						22,265	22,265	13,445	4,919	3,650	7,180	2,500	7,870
GRANTS						8,530	8,530	3,710	1,011	1,150	3,980	1,000	4,370
LOANS						13,735	13,735	9,735	3,908	2,500	3,200	1,500	3,500
EDUCATION AND HUMAN RESOURCES													
PROGRAM DEVELOPMENT AND SUPPORT		G	518-0016	79	C	---	---	1,234	357	430	500	704	500
TRAINING FOR DEVELOPMENT		G	518-0017	80	86	1,300	1,300	480	437	370	300	---	350
GRADUATE MANAGEMENT TRAINING		G	518-0035	86	89	---	7,000	---	---	2,500	500	1,500	2,000
REVENUE GENERATION FOR DEVELOPMENT		L	518-0036	83	84	1,000	1,000	1,000	564	---	280	---	156
VOCATIONAL EDUCATION DEVELOPMENT - (OPG)		G	518-0037	82	83	328	328	328	223	---	100	---	53
PROFESSIONAL DEVELOPMENT INSTITUTE - OPG		G	518-0041	84	85	398	398	329	43	---	120	---	140
FISCAL ADMINISTRATION DEVELOPMENT		L	518-0042	85	88	2,200	2,200	2,200	---	---	500	---	1,000
ENVIRONMENTAL EDUCATION (OPG)		G	518-0043	87	88	635	635	635	31	---	143	---	190
TECHNICAL TRAINING - OPG		G	518-0044	84	85	371	371	371	36	---	120	---	150
SPECIAL EDUCATION RESOURCE CTRS (OPG)		G	518-0047	84	85	50	50	50	1	---	25	---	24
TECHNICAL SKILLS DEVELOPMENT		G	518-0050	86	88	---	3,000	---	---	1,000	400	1,000	1,000
CHILD, FAMILY, & COMM DEV - OPG		G	518-0051	84	87	640	640	500	---	150	150	140	200
PRIVATE AND VOL ORGANIZATIONS - OPG'S		G	518-9999	79	C	---	---	---	---	750	400	250	200

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 87

PROJECT TITLE	*	PROJECT NUMBER	G / L	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
[illegible]						[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SELECTED DEVELOPMENT ACTIVITIES													
SPECIAL DEVELOPMENT ACTIVITIES		518-[illegible]	G	[illegible]	C	---	---	[illegible]	[illegible]	[illegible]	150	[illegible]	170
PROGRAM DEVELOPMENT AND SUPPORT		518-[illegible]	G	[illegible]	C	---	---	[illegible]	1,[illegible]	[illegible]	850	600	650
INTEGRATED COMMUNITY DEVELOPMENT - (OPG)		[illegible]		[illegible]	86	[illegible]	[illegible]	[illegible]	[illegible]	100	100	---	150
INTEGRATED SHELTER AND URBAN DEV		518-[illegible]	G	[illegible]	[illegible]	350	350	[illegible]	[illegible]	---	150	---	150
NATIONAL HOUSING PROGRAM		518-[illegible]	G	[illegible]	85	300	300	300	212	---	30	---	48
ALTERNATIVE ENERGY SOURCES		518-[illegible]	G	81	84	500	500	[illegible]	387	---	87	---	---
ALTERNATIVE ENERGY SOURCES		518-[illegible]	L	81	84	1,900	1,900	1,650	457	---	650	---	600
MICRO ENTERPRISE DEVELOPMENT (OPG)		518-[illegible]	G	[illegible]	[illegible]	450	450	450	[illegible]	---	205	---	---
FISCAL ADMINISTRATION DEVELOPMENT		518-[illegible]	G	85	87	2,600	2,600	1,500	*	500	500	600	1,200
FISCAL ADMINISTRATION DEVELOPMENT		518-[illegible]	L	85	87	3,000	3,000	1,000	---	1,000	500	---	1,000
TECH TRAINING FOR THE FINANCE SECTOR-OPG		518-[illegible]	G	84	88	237	237	237	40	---	75	---	120
MACRO ECONOMIC POLICY ANALYSIS		518-[illegible]	G	84	88	1,300	2,500	[illegible]	184	400	500	400	500
SMALL BUSINESS DEVELOPMENT		518-[illegible]	G	86	89	---	5,000	---	---	1,000	300	1,000	450
CHILD, FAMILY, & COMM DEV - OPG		518-[illegible]	G	[illegible]	89	700	700	120	---	180	200	200	200
CAPITAL MARKETS DEVELOPMENT	*	518-[illegible]	G	87	89	---	2,000	---	---	---	---	1,000	350

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

PROJECT TITLE	* L PROJECT G NUMBER C	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
CAPITAL MARKETS DEVELOPMENT	* L 518-[illegible]	87	89	---	4,000	---	---	---	---	1,500	300
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G 518-[illegible]	75	C	---	---	---	---	120	45	200	75
TOTAL FOR ACCOUNT				11,173	23,477	10,761	3,998	4,250	4,469	5,700	5,763
GRANTS				7,273	15,575	8,111	3,541	3,250	3,319	4,200	3,863
LOANS				3,900	7,900	2,650	457	1,000	1,150	1,500	1,900
INTERNATIONAL DISASTER ASSISTANCE											
DISASTER RELIEF REHAB AND RECONSTR	G 518-[illegible]	83	84	7,000	7,000	7,000	6,011	---	989	---	---
DISASTER RELIEF REHAB AND RECONSTR	L 518-[illegible]	83	84	16,000	16,000	16,000	11,257	---	3,900	---	843
TOTAL FOR ACCOUNT				23,000	23,000	23,000	17,268	---	4,889	---	843
GRANTS				7,000	7,000	7,000	6,011	---	989	---	---
LOANS				16,000	16,000	16,000	11,257	---	3,900	---	843
ECONOMIC SUPPORT FUND											
SMALL FARMER SUPPORT SERVICES - OPG	G 518-[illegible]	85	87	414	414	414	---	---	50	---	150
ECONOMIC STABILIZATION PROGRAM	G 518-[illegible]	85	87	24,097	39,097	4,000	---	20,097	24,097	15,000	15,000
TOTAL FOR ACCOUNT				24,511	39,511	4,414	---	20,097	24,147	15,000	15,150
GRANTS				24,511	39,511	4,414	---	20,097	24,147	15,000	15,150
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	77,500	92,312
GRANTS				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	72,500	78,419
LOANS				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5,000	13,893

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*Refers to the planned project summary sheet

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PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

<table>
<tr><td rowspan="2">Title
Cacao Rehabilitation Program</td><td rowspan="2">Funding Source
ARDN</td><td rowspan="2">AG, RD & N
1,000 (G)</td><td rowspan="2">Health</td><td colspan="3">PROPOSED OBLIGATION
(In thousands of dollars)</td></tr>
<tr><td colspan="2">FY 87
1,000 (G)</td><td>Life of Project Funding
3,500 (G)</td></tr>
<tr><td>Number 518-0053
☒ GRANT ☐ LOAN</td><td>☐ NEW
☐ CONTINUING</td><td>Population</td><td>ED. & HR</td><td>Sel. Act.</td><td>Initial Obligation
FY 87</td><td>Estimated Final Obligation
FY 88</td><td>Estimated Completion Date of Project
FY 90</td></tr>
</table>

Purpose: To raise the productivity of Ecuadorean cacao plantations and improve the quality of the beans being exported.

Project Description: Cacao is one of Ecuador's major exports. There are over 60,00 cacao producers in Ecuador, most of them small, farming over 300,000 hectares. Processed and raw cacao exports in 1980 totalled over $200 million. Exports have fallen in recent years due to bad weather and declining productivity. More than 50% of the cacao trees are over 30 years old and far beyond their peak yielding period. Average cacao yields are low (about 22 lbs per acre) due to the age of the trees and inadequate disease controls. If this situation continues, Ecuador will suffer a major drop in foreign exchange earnings from a crop produced by small farmers.

This project will help to rehabilitate the cacao industry by providing capital and technical assistance in four key areas:

Policy: The project will fund a study of the policy environment for cacao production. The study will examine pricing and taxes, delimit the areas in which cacao should be encouraged, define priority research problems, analyze Ecuador's position in world markets for cacao and the relative value of exporting raw versus semi-processed beans.

Technology Extension: The project will establish a system of technology extension to cacao farmers. The system will consist of trained cacao technicians with adequate transportation to visit project areas. The extension program will emphasize on-site analysis of individual cacao farmers' problems and the resources necessary to solve those problems.

Research: The project will undertake research projects with the National Research Institute (INIAP) which have a practical value for cacao farmers.

Marketing: The project will establish quality standards throughout the marketing system to attain the highest quality cacao possible. The standards will be established and enforced by the cacao producers association.

Relationship of Project to A.I.D. Country Strategy: The project is consistent with A.I.D.'s strategy for promoting production and productivity gains in the private sector. The export focus of the project is also supportive of the strategy of promoting a more external-oriented economy. The project will also contribute to A.I.D. efforts to increase small-farm productivity and incomes.

Host Country and Other Donors: The GOE will allocate $5 million to the credit fund for rehabilitation assistance.

Beneficiaries: The project will benefit over 4,000 small landholders whose plantings will be replaced or whose management practices will be improved.

Major Outputs	All Years
National Cacao Rehabilitation Program Established	X
Cacao technicians trained	80
Small cacao-producing farmers helped	4,000

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance	1,154
Training	527
Commodities	800
Local Costs	900
Other Costs	119
Total	3,500

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,000 (G)	2,500 (G)	3,500 (G)

Principal Contractors or Agencies

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title Capital Markets Development		Funding Source SDA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 1,000 (G) 1,500 (L)	Life of Project Funding 2,000 (G) 4,000 (L)
Number 518-0063 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 1,000 (G) 1,500 (L)	Initial Obligation FY 87	Estimated Final Obligation FY 89
						Estimated Completion Date of Project FY 90

Purpose: To strengthen the capacity of private capital markets to mobilize domestic savings for investment in productive sectors of the economy.

Project Description: A.I.D. will provide technical and financial assistance to expand capital markets in Ecuador. This project will assist the private sector to participate in policy dialogue with the GOE, to maintain realistic interest rate policies and to monitor the effects on capital markets of policies in other areas (e.g., exchange rate and fiscal policies). The project will include training and technical assistance to private financial organizations to upgrade their capacities and to bring them in line with the savings and investment needs of the economy. It will upgrade existing institutions and, if warranted, develop new institutions. Private financial organizations and individual private firms will implement the project.

Relationship of Project to A.I.D. Country Strategy: This project supports A.I.D.'s strategy of assisting with structural adjustments by strengthening the private productive sector. Capital market studies carried out during 1986 under the Macroeconomic Policy Analysis project are expected to identify policy options for the GOE and institutional needs of the private sector. These studies will be used to design the specific project activities.

Host Country and Other Donors: Recent GOE decisions on interest rates, credit allocations and exchange rates have created a positive policy environment for the institutional development of the project. The IBRD and the IMF have contributed complementary studies and policy advice to the GOE.

Beneficiaries: The project will encourage investment decisions on the basis of maximum returns thereby permitting the best use of available capital. This is expected to benefit the whole economy of Ecuador. In turn, the increased economic activity is expected to generage jobs for all segments of the population.

Major Outputs	All Years
Financial Investment institution estabished	1
Capital Markets system strengthened	x
Managers trained	15
Technicians trained	30

A.I.D. Financed Inputs	Life of Project ($000) Grant	 Loan
Technical Assistance	1,000	-
Training	500	100
Equipment	-	100
Rotating Fund	80	3,300
Other Costs	420	500
Total	2,000	4,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	1,000 (G) 1,500 (L)	1,000 (G) 2,500 (L)	2,000 (G) 4,000 (L)	

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title Private Voluntary Organizations Operational Program Grants (OPGs)		Funding Source	AG, RD & N 400	Health 800	PROPOSED OBLIGATION (In thousands of dollars) FY 87 2,000 (G)	Life of Project Funding Continuing
Number 518-9999 ☒ GRANT ☐ LOAN	☒ NEW ☒ CONTINUING	Population	ED. & HR 400	Sel. Act. 400	Initial Obligation FY 78	Estimated Final Obligation FY Continuing Estimated Completion Date of Project FY Continuing

Purpose: To strengthen the capacity of indigenous and U.S. private voluntary organizations (PVOs) to undertake innovative and high-impact social and economic development activities in Ecuador.

Project Description: The operational program grant (OPG) mechanism is an effective tool to promote and encourage development-oriented actions by local and U.S. organizations. In Ecuador, OPGs have addressed development problems in rural health and potable water, integrated community development, and vocational and technical skills training for poor urban and rural youths.

During FY 1987, A.I.D. will finance social and economic development OPGs that can have a significant impact on the poorest segments of Ecuador's society, both in urban and rural areas. OPGs will be directed at the service delivery, organization, education, employment and income-generation needs of rural and urban low-income groups. A.I.D. has established a systematic dialogue with U.S. and local PVOs to discuss country development strategies and generate ideas for high impact projects thereby assuring the proper mix of activities to help the target population.

Relationship of Project to A.I.D. Country Strategy: A.I.D. assigns high priority to OPGs that are consistent with its overall country strategy. A.I.D. uses OPGs to assist with institutional strengthening; transfer low-cost appropriate technologies; develop human resources, particularly in technical skills; test methods of assisting micro-enterprises; increase participation of women in the development process; and strengthen progressive elements of the private sector, e.g., producer associations, banker associations, and chambers of commerce.

Host Country and Other Donors: PVOs are selected on the basis of their potential as well as actual strength of non-A.I.D. support. An important objective of many OPGs is to increase the capacity of PVOs to mobilize continuing budget support from the GOE, private sources, and other external donors. Participating PVOs make cash and in-kind contributions equal to at least 25 percent of the total OPG project cost.

Beneficiaries: The PVOs themselves will benefit substantially from OPG-financed training, technical assistance, and commodities which increase their capacity to plan, design, execute, and evaluate development projects. The ultimate beneficiaries will be the rural and urban poor who receive services which improve their socio-economic status.

Major Outputs	All Years
PVOs strengthened	4
PVOs providing basic health and education services to poor people	4
PVOs providing assistance in community development	1
PVOs providing assistance in small business	1

A.I.D. Financed Inputs	Life of Project ($000)
Grants to PVOs	2,000
Total	2,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,000 (G)		

Principal Contractors or Agencies

PERU

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                                FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (527) PERU

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)     19,698

PER CAPITA GNP.......... (DOLLARS,1983)      1,040

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  0.1%

ANNUAL RATE OF INFLATION (1973-83) 52.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1972)   1.9%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 59.5  MALE 57.7  FEMALE 61.4
                    (1970)   TOTAL 53.6  MALE 52.3  FEMALE 54.9

ADULT LITERACY RATE  (1972)  TOTAL  73%  MALE  83%  FEMALE  62%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                         (1975-1984)  -3.4%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    8%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        57


MAJOR CROP(S)                                  ARABLE LAND  YEAR
  SUBSISTENCE: POTATOES ,CORN ,BANANAS               20%   (1984)
  CASH: COTTON ,RICE ,SUGARCANE                      13%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COFFEE ,SUGARCANE ,COTTON

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,DAIRY PRODS  ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)    39%
------------------------------
*CENTRAL GOVERNMENT FINANCES*
------------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1980)      3,519 (81)      3,613 (82)      3,653
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1980)      3,653 (81)      4,381 (82)      3,911
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1980)       -134 (81)       -768 (82)       -259
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979) 12.3% (80) 12.5% (81) 13.8%
  AS % OF GNP................. (1979)  1.9% (80)  2.4% (81)  2.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)              (1982) 1,750 (83) 1,765 (84) 1,630
  EQUIVALENT TO  6.3 MONTHS OF IMPORTS (1984)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)COPPER         ,FISH & PRODUCTS,SILVER

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)1,046  (1983)1,094  (1984)1,274
   AS % OF TOTAL EXPORTS (1982)   35% (1983)   39% (1984)  41%

MAJOR IMPORTS(1983)FOODSTUFFS     ,MACHINERY      ,TRANSP. EQ

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)1,229  (1983)  989  (1984)  826
   AS % OF TOTAL IMPORTS (1982)   36% (1983)   39% (1984)  40%

TRADE BALANCE($ MILLIONS, U.S.)(1982)   -427(83)    294(84) 1,008

TRADING PARTNERS: UNITED STATES ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    62.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)............................... (1983)   754
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983)  25.0%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.8% (1978)   2.6% (1985)  2.6%

POPULATION IN URBAN AREAS............(1970)    57%   (1985)   69%

LIVE BIRTHS PER 1,000 POPULATION.....(1970)    45    (1985)     36

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1981)  40.7%

POPULATION (1985) IN AGE GROUP:
                 (0-14YRS) 39.4% (15-64YRS) 56.6% (65+ YRS)  4.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  82

PEOPLE PER PHYSICIAN................ (1979)  1,391

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA       ,MEASLES         ,TUBERCULOSIS
DEATH.. (1978) PNEUMONIA       ,ENTERITIS       ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..  (1977)    92%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  51%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP
PRIMARY......... (1982)  TOTAL   117   MALE   122    FEMALE   112
SECONDARY....... (1980)  TOTAL  51.4   MALE  56.0    FEMALE  46.7
POST SECONDARY.. (1980)  TOTAL  15.8   MALE  15.5    FEMALE   7.2

ENERGY PRODUCTION AS % OF CONSUMPTION............(1983)      125%
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PERU

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAY MENTS AND INTEREST 1946–84	TOTAL LESS REPAY MENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	53.3	80.2	54.6	93.5	164.6	1059.1	191.1	868.0
Loans	33.0	47.0	44.2	48.5	119.0	620.7	191.1	429.6
Grants	20.3	33.2	10.4	45.0	45.6	438.4	-	438.4
a. A.I.D. and Predecessor Agencies	18.7	34.5	27.8	35.5	113.9	552.5	86.9	465.6
Loans	14.0	28.0	20.0	19.5	100.0	395.5	86.9	308.6
Grants	4.7	6.5	7.8	16.0	13.9	157.0	-	157.0
(Economic Support Fund)	-	-	-	-	-	1.7		
b. Food for Peace (PL 480)	33.0	42.5	16.2	55.9	42.9	410.0	45.9	364.1
Loans	19.0	19.2	16.2	29.0	19.0	174.5	45.9	128.6
Grants	14.0	23.3	-	26.9	23.9	235.5	-	235.5
Title I Total Sales Agreements	19.0	19.2	16.2	29.0	19.0	174.7	45.9	128.8
Repayable in U.S. Dollars Loans	19.0	19.0	16.2	29.0	19.0	147.1	18.2	128.9
Payable in Foreign Currency Planned for Country Use	-	-	-	-	-	27.6	27.7	0.1-
Title II Total Grants	14.0	23.5	-	26.9	23.9	235.3	-	235.3
Emerg. Relief Econ. Develop. & World Food Program	3.3	6.6	-	10.6	2.7	102.0	-	102.0
Voluntary Relief Agencies	10.7	16.7	-	16.3	21.2	133.3	-	133.3
c. Other Economic Assistance	1.6	3.2	2.6	2.1	2.8	96.6	58.3	38.3
Loans	-	-	-	-	-	50.7	58.3	7.6-
Grants	1.6	3.2	2.6	2.1	2.8	45.9	-	45.9
Peace Corps	-	-	-	-	-	25.3	-	25.3
Narcotics	1.6	3.0	2.3	1.8	2.8	14.4	-	14.4
Other	0.1	0.2	0.3	0.2	*	6.1	-	6.1
II. MILITARY ASSISTANCE – TOTAL	3.3	4.3	5.0	4.6	10.7	267.6	117.1	150.5
Credits or Loans	3.0	4.0	4.5	4.0	10.0	123.5	117.1	6.4
Grants	0.3	0.3	0.5	0.6	0.7	144.1	-	144.1
a. MAP Grants	-	-	-	-	-	75.0	-	75.0
b. Credit Financing FMS	3.0	4.0	4.5	4.0	10.0	123.5	117.1	6.4
c. Military Assistance Service Funded (MASF) Grants	0.3	0.3	0.5	0.6	0.7	21.9	-	21.9
d. Transfers from Excess Stocks	-	-	-	-	-	20.3	-	20.3
e. Other Grants	-	-	-	-	-	26.9	-	26.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	56.6	84.5	59.6	98.1	175.3	1326.7	308.2	1018.5
Loans	36.0	51.0	48.7	52.5	129.0	744.2	308.2	436.0
Grants	20.6	33.5	10.9	45.6	46.3	582.5	-	582.5
Other U.S. Government Loans and Grants	46.3	16.0	-	26.3	0.3	945.6	1027.7	82.1-
a. Export-Import Bank Loans	6.2	13.1	-	26.3	-	483.5	491.0	7.5-
b. All Other Loans	40.1	2.9	-	-	0.3	462.1	536.7	74.6-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL........	454.1	317.6	72.1	3302.1
IBRD	302.2	122.5	31.0	1677.4
IFC	8.0	9.2	16.8	90.1
IDA	0.0	0.0	0.0	0.0
IDB	142.3	164.8	24.3	1466.7
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.6	1.1	0.0	53.3
OTHER-UN	0.0	0.0	0.0	14.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	53.0	90.0	363.0
Germany, Fed. Rep.	34.9	43.3	291.1
Japan	19.2	49.8	167.1
Netherlands	19.1	21.1	136.9
France	14.6	7.2	47.2
Other	19.6	29.7	116.2
Total	160.4	241.1	1,121.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	1	-	275
Eastern Europe	-	-	253
Total	1	-	528

PERU

PROGRAM SUMMARY

(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	500	500	-	-	-	-		6,181
Grants	37,656	12,502	4,100	2,570	2,554	1,959		7,790
Total	38,156	13,002	4,100	2,570	2,554	1,959		13,971[1]
1986								
Loans	3,400	3,400	-	-	-	-	-	
Grants	24,045	3,725	1,800	3,400	2,500	3,050	9,570	
Total	27,445	7,125	1,800	3,400	2,500	3,050	9,570	
1987								
Loans	1,000	1,000	-	-	-	-	-	
Grants	56,000	7,200	1,600	4,500	1,300	4,400	37,000	
Total	57,000	8,200	1,600	4,500	1,300	4,400	37,000	

[1] International Disaster Assistance

FY 1987
PROGRAM HIGHLIGHTS

-$37 million ESF assistance for balance-of payments and support for improving the Peruvian judicial system.

-Continued support for improved agriculture policy formulation and implementation, institutional development and expanded private sector agriculture production.

-The initiation of a new project to improve health sector effectiveness in child survival activities, especially for the population presently unreached by these services.

-The introduction of a $6 million project to reduce constraints to investment and expand non-traditional exports to world markets.

-A $10 million P.L 480 Title I program to strengthen policy dialogue with the GOP on hunger alleviation, agriculture, and rural development.

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	72,531	47,855	63,306
Grants	23,286	36,803	15,079
Total AID	95,817	84,658	78,485
P.L. 480 **			
Title I	25,000	20,000	10,000
(of which Title III is)	(–)	(–)	(–)
Title II	9,779	8,007	7,814
Total P.L. 480	34,779	28,007	17,814
Total AID and P.L. 480	130,596	112,665	96,299

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	136,000	17,000	98,000	12,900	39,000	5,000
Rice	–	–	–	–	11,000	3,000
Feedgrains	–	–	–	–	–	–
Vegoil	14,000	8,000	13,000	7,100	4,000	2,000
Non-food	–	–	–	–	–	–
Title I Total	150,000	25,000	111,000	20,000	54,000	10,000
(of which Title III is)	–	–	–	–	–	–
Title II [1/]						
Voluntary Agencies	32,899	9,779	36,025	8,007	36,025	7,814
Government - to - Government	–	–	–	–	–	–
Title II Total	32,899	9,779	36,025	8,007	36,025	7,814
Total P.L. 480	182,899	34,779	147,025	28,007	90,025	17,814

[1/] *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

PERU

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	25	24	24
PASA[b]	4	4	2
TOTAL	29	28	26

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*

[b] *On board end of year.*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	20	24	44	42	87	129	41	87	128
Regional[e]	20	26	46	37	118	155	44	101	145
TOTAL	40	50	90	79	205	281	85	188	273

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking*

[c] *Technical: non-degree seeking*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	12	41	53	14	128	142	19	139	158
Regional[e]	–	1	1	–	5	5	–	5	5
TOTAL	12	42	54	14	133	147	19	144	163

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

PERU

Development Overview

Peru carried out its first democratic transition of power in the last 40 years with the inauguration in July 1985 of Alan Garcia Pérez of the American Popular Revolutionary Alliance (APRA), Peru's oldest active political party, which has never before been in power. The new Government of Peru (GOP) has taken over a country in severe economic and social crisis. From 1968 to 1980, Peru, under a military government, suffered from statist policies which distorted the economy, lowered agricultural production and caused social conditions to deteriorate. The Belaunde government made some progress in correcting this legacy, but the "El Nino" flood and drought disaster in 1983 and the world economic recession greatly hindered progress. As a result, per capita income today is the same as in 1965, and real wages have been falling for a decade. Average food consumption is less than 90% of requirements and about half of infants and preschool children suffer from malnutrition. Infant mortality is very high by Latin American standards; only half the population has access to potable water, and life expectancy is below 60 years. Over 60% of the workforce is under-employed or unemployed. The task of improving living conditions, promoting private sector development, and restarting sustained economic growth has been made more difficult by the leftist "Sendero Luminoso" insurgency and terrorist movement.

Some progress has been made in restoring economic growth. The agricultural sector recovered strongly, growing by 8.4% in 1984 and grew a further 4.8% in the first half of 1985, more than recovering from the drought and floods of 1983. Also, Peru's serious fiscal deficit was lessened substantially. The public sector deficit, which was 12.1% of gross national product in 1983, was reduced to 7.6% in 1984 and to 4.2% in the first half of 1985.

The balance of payments continues to be of major concern, however. Imports have fallen by over 40% from their 1981 level as a result of the stagnation of exports, low prices for commodity exports resulting from the world recession, and steadily increasing debt payments. By mid-1984, Peru began to fall seriously behind in meeting its debt service obligations. For 1985, debt service due and payable, including arrearages from 1984, exceeded export earnings. The new administration has announced that it cannot pay all its debt service obligations while still maintaining needed merchandise import levels until an upturn in export earnings allows it to do so.

The new government is strongly committed to a democratic system of government, has widespread popular support, displays immense energy and has begun to implement a short-term economic program to meet Peru's political, economic and social challenges. In the economic and social spheres, the GOP's emphasis is on increasing agricultural production; promoting rural development in the poorest regions, especially those plagued by terrorist insurgency; providing increased health and other social services to the rural and urban poor; creating more jobs for the poorest 70% of the population; and limiting the size of the public sector.

The new government has moved decisively to reduce corruption. A major commitment has been made to eliminate narcotics trafficking from Peru. Efforts to fight terrorism and insurgency are being increased while major new measures are being taken to ensure that human rights are respected and that the administration of justice is improved.

In spite of these positive accomplishments, the new GOP's position on a number of economic issues has been at variance with the stabilization and growth policies that we would recommend. Also, the GOP has limited its debt repayments and has accumulated large arrearages. Because of arrearages to the U.S. Government, Peru in early FY 1986 fell under Brooke-Alexander and 620(q) sanctions which prohibit new A.I.D. obligations. In addition, the President will have to certify that the GOP has met the requirements of Section 612 of the FAA regarding Peru's efforts to reduce and eliminate illegal narcotics production before new obligations can be made in FY 1986 and FY 1987. We believe these are short-term difficulties and that acceptable solutions will be found for them in FY 1986. Good bilateral relations are clearly in the long-term interests of both Peru and the United States, and we are making a major effort with the GOP to resolve these problems.

U.S. Interests and Objectives

Peru is strategically located, bordering on five other South American countries. With a population of almost 20 million, it is the largest country in Latin America with a major A.I.D. program and long has had close ties with the United States. A continued positive Peruvian role in maintaining regional peace and international stability is important to U.S. interests.

A major U.S. objective in Peru is to support the maintenance of constitutional government, as exemplified by the democratic transition of government which took place in July 1985. The United States supports Peru's need to move away from the statist legacy of past military governments and to achieve rapid growth of the private sector and international trade and investment.

The United States is encouraging enhanced bilateral cooperation in areas of special U.S. concern such as narcotics law enforcement and eradication of illicit coca cultivation. The new GOP has tackled these problems head on, supporting more effective efforts to deal with the narcotics problem. The United States supports the GOP's efforts to contain the destabilizing activities of leftist terrorist movements while at the same time ensuring respect for human rights and seeking to ensure more effective administration of justice throughout the country.

A.I.D. Development Strategy

A.I.D.'s development goals are to assist Peru to realize equitable economic growth geared to increasing the employment and incomes of the poor by stimulating private sector growth and improved resource allocation, providing adequate food for the population and increasing the coverage and efficiency of social service delivery programs, especially primary health and family planning services. A.I.D. assistance also supports the overall U.S. foreign policy goal of controlling and eradicating illegal Peruvian narcotics production and improving the administration of justice. These goals are being accomplished through the following strategies:

-- In agriculture, A.I.D. is assisting the GOP in a broad range of activities to rebuild its research, extension and education system through institutional development. In addition, A.I.D. is strengthening GOP capability to design and implement sounder agricultural policies.

-- To alleviate hunger and malnutrition among Peru's poorest, P.L. 480 Title I commodities are used to meet food deficits in the context of long-range policy dialogue which supports food self-sufficiency. The P.L. 480 Title II program responds to immediate food requirements to combat acute malnutrition, while providing nutrition education and growth monitoring services. An A.I.D.-funded national nutrition and health survey has provided the data base for future nutrition program development and for targeting food aid.

-- In health and population, A.I.D. is supporting the implementation of specific public sector health policies to expand the delivery of cost-effective primary health care, including maternal child health, family planning and oral rehydration therapy, and to develop an institutional base for conducting and applying sector policy analysis. A.I.D. is also strengthening private sector organizations which promote family planning. In addition, A.I.D. is working with private and voluntary organizations (PVOs) to strengthen their primary health care outreach programs.

-- Through the private sector, A.I.D. is supporting management education and policy planning which respond to the need for increased levels of production, investment and exports. Support for strengthened institutional capability to provide credit to small-scale industries is encouraging increased employment and production in low-income groups.

-- In narcotics control, A.I.D. is giving high priority to promoting alternatives to coca crop production as well as to alleviating the negative economic effects of coca crop eradication. A.I.D. also is supporting a private sector public education program to raise public and government consciousness about the incidence and implications of Peruvian drug use.

A cornerstone of the A.I.D. program is to build and strengthen local public and private development institutions. In agriculture, A.I.D. programs are upgrading the capabilities of agricultural institutions, promoting sounder agriculture policy analysis and natural resource management. Activities in private sector credit, investment and export promotion in the industrial, service and manufacturing areas complement A.I.D.'s efforts to strengthen the agriculture sector.

In health and population, A.I.D. is strengthening GOP institutional capability to deliver primary health services, including family planning, through improved policy analysis, financial management, information systems and personnel training. A.I.D. is also assisting PVOs in improving social service delivery programs in health, nutrition and family planning.

U.S. Title XII universities are active in programs aimed at increasing yields of key crops, livestock and range management, water management and agricultural policy and institutional development. Improved management and applied research activities are important elements in A.I.D.'s private sector support.

Support for improved public and private sector policy analysis, formulation and implementation is key to A.I.D.'s program strategy in Peru. The critical need for private sector revitalization and active participation in Peru's development provides another cross-sectoral theme in A.I.D.'s strategy.

A.I.D. Program (FY 1985 and FY 1986)

A. Agriculture, Rural Development and Nutrition. A recent evaluation of A.I.D. Title XII university programs confirmed substantial progress in development of improved seed varieties and increased crop yields under the Agriculture Research, Extension and Education project (527-0192). The project is strengthening GOP research and extension institutions to provide a flow of appropriate technology to small- and medium-sized farmers. The Soil Conservation project (527-0220) is bringing together 30 Peruvian institutions to develop a national soil conservation program. Following the FY 1985 evaluation which documented the success of soil conservation field trials, including yield increases of over 100% for several crops, project activities are concentrating on further expanding the program and improving institutional coordination at the national level.

Based on data provided by the 1984 P.L. 480 Title II evaluation, the Food Assistance Program Support project (527-0302) will strengthen PVO and GOP institutional abilities to more fully integrate P.L. 480 Title II and Section 416 resources, GOP counterpart contributions and development assistance in maternal and child health and food-for-work programs. The project will also support GOP programs and policies to meet chronic malnutrition problems in both urban and rural areas.

B. Health and Population Planning. Three current projects, Extension of Primary Health (527-0219), Integrated Family Planning and Health (527-0230), and Rural Water and Environmental Sanitation (527-0221), are expanding health coverage, assisting Peru's family planning program and constructing low-cost potable water systems in rural towns of less than 500 people. In addition, ongoing Child Survival projects are promoting the use of primary health care, including oral rehydration therapy services, through selected Peruvian PVOs, as well as physician and nurse training.

In FY 1986, the Private Sector Family Planning project (527-0269) will assist Peruvian private-sector family planning agencies to expand services on a cost-effective basis and improve communication and coordination between private and public sector family planning programs. Several new health projects will be started in FY 1986 with private and voluntary organizations to expand child survival activities.

C. Education and Human Resources. The Private Sector Management Improvement project (527-0272) is strengthening five private sector educational institutions to improve management education and applied research. A private, non-profit drug information and education center is being supported under the Drug Education and Public Awareness project (527-0288). In addition, several Peruvian PVOs are providing vocational skills training to low-income residents in Lima and other coastal cities.

D. Selected Development Activities. The Private Sector Policy Planning and Institutional Development project (527-0298) is improving the institutional capability of the private and public sectors to analyze policy issues and strengthen the dialogue between the private and public sectors. The Small Industry Credit project (527-0300) will be initiated in FY 1986 to support increased employment and production in small industries by providing technical assistance to private and public sector financial institutions.

E. P.L. 480 Program. P.L. 480 Title I and Title II resources play a significant role in A.I.D.'s long-term development goals. Title I food commodities help relieve hunger and acute malnutrition. At the same time, A.I.D. is encouraging the GOP to improve policies on food and agriculture pricing and subsidies to promote domestic food production. Local currencies generated under Title I are being used for development programs.

The Title II program provides food supplements to the poorest urban and rural groups. These resources are used in food-for-work projects to promote reforestation, rural public works, and infrastructure, and in MCH programs to promote primary health care and preschool education. The Section 416 dairy products program is supporting both maternal and child health activities and school feeding programs reaching one million students.

F. Economic Support Fund. In FY 1986, for the first time, A.I.D. is providing Economic Support Funds to the GOP. The $9.57 million program will support high priority U.S. and Peruvian collaborative efforts related to narcotics control and coca eradication such as agricultural and community development, and narcotics education and public awareness activities. Funds will also be used to deliver development services to the impoverished south and central Andean sierra and to strengthen the Peruvian judicial system.

G. Disaster Relief and Reconstruction. The disaster relief and reconstruction program, provided in response to the "El Nino" flood and drought disaster in 1983, has supported the replacement of lost infrastructure, distributed emergency P.L. 480 Title II commodities, played a key role in reactivating the country's agricultural production, provided medicines and training in the most severely affected areas and generated employment for many displaced people. A.I.D. has assisted Peru to implement the disaster rehabilitation program through decentralized departmental development corporations.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Peru in FY 1985 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1985 to participants from Peru in the fields of agriculture, natural resource management, family planning, health, education, and private sector development.

B. The types of goods associated in FY 1985 with ESF cash transfers by A.I.D. to Peru are as follows:

None for Peru in FY 1985

C. Local currency associated with A.I.D. assistance to Peru was allocated by A.I.D. and the Government of Peru for the following uses in FY 1985. (There was a total of $14.6 million in local currency available for allocation at the beginning of FY 1985, and an equivalent of $25 million was added during FY 1985.):

	$ Millions
Irrigation in the Sierra	.7
Agricultural Research, Education & Extension	1.7
Soil Conservation	.3
Small Ruminants	.5
Tropical Soils	.3
Agricultural Planning	2.4
Land Use Inventory and Environmental Planning	.2
Upper Huallaga Area Development	1.6
Central Selva Resource Management	4.2
Disaster Relief & Reconstruction	.1
Microregional Development	.1
Integrated Regional Development	1.7
Agrarian University Support	.2
Rural Water Systems and Sanitation	.8
Primary Health Care	1.2
Integrated Health and Family Planning	.8
Geophysics Institute Support	.1
Pre-School Education	.1
Food-for-Work Programs in Slum Areas	1.8

Packing, Shipping, Storage of P.L.-480 Title II Commodities	1.2
Support to PVOs	.9
Agricultural Investment Promotion	4.6
Total	$25.5 million

D. Reprogramming of funds for Peru during FY 1985 resulted in the following functional account changes. Estimated FY 1985 Obligations are those which were shown in the FY 1986 Congressional Presentation Document:

	Total	ARDN	PN	HE	EHR	SDA	Other
- Estimated FY 1985 Obligations	38,217	13,002	4,100	2,570	2,615	1,959	13,971*
- Actual FY 1985 Obligations	38,156	13,002	4,100	2,570	2,554	1,959	13,971*

*International Disaster Assistance

E. Funds and Programs provided to Peru in FY 1985 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Peru
DA	$ 9.3 million (46%)	$11.1 million (54%)
P.L. 480 Title I	- 0 -	25.0 million (100%)
P.L. 480 Title II	9.8 million (100%)	- 0 -
Total	$19.1 million (35%)	$36.1 million (65%)

Requested Year Program (FY 1987)

A.I.D. resources in FY 1987 ($20 million of DA and $37 million of ESF) will continue to support the recovery and growth of Peru's economy. These resources will promote an improved policy climate for private sector revitalization, including expansion of nontraditional exports, investment and trade in general. The GOP and A.I.D. will continue the collaborative effort to deal with narcotics control issues and support appropriate area development activities.

A. Agriculture, Rural Development and Nutrition. The FY 1985 evaluation of the Title XII university-supported Water and Land Use in the Sierra project (527-0156) contributed to the design of a major new initiative proposed for FY 1987, the Agriculture Sector Recapitalization project (527-0282). This project will support the financial and human recapitalization of agriculture and the expansion of agricultural production and exports by the private sector, and will improve technical and managerial capabilities of public and private sector agricultural service institutions. The Food Assistance Program Support project (527-0302), scheduled to begin in FY 1986, will continue to provide technical assistance and operational support to both PVO and GOP agencies seeking to enhance the economic impact of food-for-development programs. The Technoserve Cooperative Management project (527-0293) will continue support for improved agriculture cooperative management and increased income generation.

B. Health and Population Planning. The focus of A.I.D. efforts in health and family planning will be in improving health sector policies and delivery of cost-effective services to a greater percentage of the population. A major new project, Health Sector Effectiveness for Child Survival project (527-0285) will begin in FY 1987 with an initial tranche of $3.5 million. At the same time, the Private Sector Family Planning project (527-0269) will continue to strengthen non-governmental organizations to promote and meet the demand for family planning services.

C. Education and Human Resource Development. A.I.D.'s human resources strategy will continue to emphasize private-sector management education and applied research under the Private Sector Management Improvement project (527-0272). A.I.D. will also continue to support employment and income improvements through small enterprise development, as well as PVO technical skills training and drug education.

D. Selected Development Activities. In FY 1987, A.I.D. will initiate the Private Sector Export and Investment Promotion project (527-0286), which will strengthen investment opportunities in Peru and expand non-traditional exports to world markets. A.I.D. will continue to support improved policy planning for and by the private sector (Private Sector Policy Planning and Institutional Development project, 527-0298) and the expansion of credit for small industries (Small Industry Credit project, 527-0300).

E. P.L. 480 Program. A $10 million Title I program in FY 1987 will further the continuing policy dialogue with the GOP on hunger alleviation, agriculture and rural development. The P.L. 480 assistance will also generate local currency to support selected A.I.D. projects. The $7.814 million of Title II resources will provide food, nutrition education and income for Peru's most nutritionally and economically vulnerable population.

F. Economic Support Fund. In FY 1987, $37 million from the Economic Support Fund will be used to assist with the GOP's balance-of-payments problem and support improvements in the Peruvian judicial system. These programs will play a key role in A.I.D.'s policy dialogue with the government. Local currencies required under the programs will support high priority U.S. and Peruvian collaborative efforts in the area of narcotics control, including agricultural and community development and narcotics education and public awareness program activities. Local currencies will also support the government's south and central sierra development program and will be used to expand the availability of private sector credit, especially for small-scale agricultural and industrial enterprises.

Mission Director: John A. Sanbrailo

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
SIERRA WATER AND LAND USE	L 527-0156	76	85	11,000	11,000	11,000	9,849	---	1,151	---	---
PROGRAM DEVELOPMENT AND SUPPORT	G 527-0166	74	C	---	---	5,456	4,453	1,450	1,300	1,000	1,500
INTEGRATED REGIONAL DEVELOPMENT	G 527-0178	79	83	1,600	1,600	1,600	1,487	---	113	---	---
INTEGRATED REGIONAL DEVELOPMENT	L 527-0178	79	83	15,000	15,000	15,000	10,457	---	4,400	---	143
AG RESEARCH, EXTENSION AND EDUCATION	G 527-0192	80	87	6,250	6,250	6,250	2,867	---	3,114	---	269
AG RESEARCH, EXTENSION AND EDUCATION	L 527-0192	80	87	13,400	13,400	9,000	7,316	3,400	4,000	1,000	2,084
LAND USE INVENTORY & ENV PLANNING/ONERN	G 527-0202	80	85	1,600	1,600	1,600	988	---	491	---	121
EXTENSION OF INTEGRATED PRIMARY HEALTH	G 527-0219	79	85	1,100	1,100	1,100	173	---	927	---	---
SOIL CONSERVATION	G 527-0220	80	86	1,600	1,600	1,400	1,142	200	458	---	---
SMALL HYDRO DEVELOPMENT	G 527-0226	81	84	1,000	750	750	282	---	378	---	---
SMALL HYDRO DEVELOPMENT	L 527-0226	81	84	9,000	9,000	9,000	2,089	---	6,317	---	90
SEPAS EXPANDED REFORESTATION (FFW) - OPG	G 527-0231	82	85	950	950	950	660	---	290	---	---
AGRICULTURAL PLANNING AND INST. DEV.	G 527-0238	83	85	6,000	4,480	4,480	1,827	---	1,750	---	903
AGRICULTURAL PLANNING AND INST. DEV.	L 527-0238	83	85	11,000	11,000	11,000	1,908	---	3,000	---	3,000
CENTRAL SELVA RESOURCE MANAGEMENT	G 527-0240	82	86	4,000	4,000	3,175	1,727	825	1,250	---	1,023
CENTRAL SELVA RESOURCE MANAGEMENT	L 527-0240	82	86	18,000	18,000	18,000	2,252	---	3,150	---	3,500

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: PERU

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
UPPER HUALLAGA AREA DEVELOPMENT		G	527-0244	81	85	3,000	3,000	3,000	1,727	---	1,273	---	---
UPPER HUALLAGA AREA DEVELOPMENT		L	527-0244	81	85	15,000	15,000	15,000	9,543	---	5,000	---	120
EXPANDED FEEDING PROGRAM (OFASA) - OPG		G	527-0247	83	85	720	720	720	606	---	114	---	---
CARITAS FEEDING PROGRAM - OPG		G	527-0248	84	85	350	275	275	60	---	215	---	---
BASIC INFRASTRUCTURE (CARE) - OPG		G	527-0261	84	85	600	600	600	314	---	286	---	---
PRIVATE SECTOR AG INVESTMENT PROMOTION		L	527-0265	83	83	10,000	10,000	10,000	4,976	---	1,200	---	2,000
DISASTER RELIEF AND REHABILITATION		G	527-0277	83	85	2,000	2,000	2,000	1,708	---	51	---	241
AGRICULTURAL SECTOR RECAPITALIZATION	*	G	527-0282	87	91	---	10,000	---	---	---	---	5,000	4,500
TECHNOSERVE - COOP MANAGEMENT - OPG		G	527-0293	85	87	750	750	300	300	250	250	200	200
PVO NETWORK EDUC OPG		G	527-0294	85	85	260	260	260	102	---	158	---	---
CHILD SURVIVAL (CARE) - OPG		G	527-0297	85	85	---	---	35	9	---	---	---	---
FOOD ASSISTANCE PROGRAM SUPPORT		G	527-0302	86	90	---	5,700	---	---	1,000	---	1,000	1,000
TOTAL FOR ACCOUNT						134,150	168,035	131,951	63,729	7,125	40,429	8,200	21,185
GRANTS						31,750	65,635	33,951	20,239	5,725	12,411	7,200	9,744
LOANS						102,400	102,400	98,000	43,490	1,400	28,018	1,000	11,441
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	527-0209	74	C	---	---	499	429	100	90	100	90
INT FAMILY PLANNING AND HEALTH		G	527-0230	81	88	10,900	10,567	9,951	4,100	---	4,000	---	1,200

Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE SECTOR FAMILY PLANNING		G	527-0269	86	90	---	11,000	---	---	1,700	1,500	1,500	1,500
TOTAL FOR ACCOUNT						10,900	21,567	10,450	4,524	1,800	5,590	1,600	2,790
GRANTS						10,900	21,567	10,450	4,524	1,800	5,590	1,600	2,790
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	527-0157	74	C	---	---	2,740	1,751	1,000	1,789	1,000	1,000
EXTENSION OF INTEGRATED PRIMARY HEALTH		L	527-0219	79	85	5,800	5,800	5,800	3,955	---	1,845	---	---
RURAL WATER SYSTEMS AND ENV. SANITATION		G	527-0221	80	85	1,000	1,000	1,000	411	---	229	---	360
RURAL WATER SYSTEMS AND ENV. SANITATION		L	527-0221	80	85	10,000	10,000	10,000	2,908	---	3,454	---	3,638
INT FAMILY PLANNING AND HEALTH		L	527-0230	81	81	4,000	4,000	4,000	2,343	---	1,657	---	---
HEALTH SECTOR EFFECT. FOR CHILD SURVIVAL	*	G	527-0285	87	91	---	17,500	---	---	---	---	3,500	1,100
PVO NETWORK EDUC OPG		G	527-0294	85	86	700	700	400	---	300	175	---	525
PRIVATE AND VOL ORGANIZATIONS - OPG'S		G	527-9999	76	C	---	---	---	---	2,100	1,000	---	500
TOTAL FOR ACCOUNT						21,500	39,000	23,940	11,368	3,400	10,149	4,500	7,123
GRANTS						1,700	19,200	4,140	2,162	3,400	3,193	4,500	3,485
LOANS						19,800	19,800	19,800	9,206	---	6,956	---	3,638
EDUCATION AND HUMAN RESOURCES													
PRE-SCHOOL ED AS A CATALYST FOR COMM DEV		G	527-0161	79	84	1,800	1,800	---	---	---	---	---	---
PROGRAM DEVELOPMENT AND SUPPORT		G	527-0156	74	C	---	---	1,234	840	250	470	100	150
VOCATIONAL EDUCATION -OPG		G	527-0266	83	85	360	360	360	230	---	130	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU CP 87

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE SECTOR MANAGEMENT IMPROVEMENT	G 527-0272	85	89	7,000	7,000	1,489	---	1,750	432	1,000	1,500
NARCOTICS EDUCATION - OPG	G 527-0288	85	C	4,000	4,000	250	---	500	274	---	476
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G 527-9999	78	C	---	---	---	---	---	---	200	100
TOTAL FOR ACCOUNT				13,150	13,150	3,333	1,070	2,500	1,306	1,300	2,226
GRANTS				13,150	13,150	3,333	1,070	2,500	1,306	1,300	2,226
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
SPECIAL DEVELOPMENT ACTIVITIES	G 527-[illegible]	[illegible]	C	---	---	1,500	1,429	100	112	100	110
PROGRAM DEVELOPMENT AND SUPPORT	G 527-[illegible]	74	C	---	---	2,445	2,104	1,250	1,200	1,000	1,300
URBAN SMALL ENTERPRISE DEV.	L 527-[illegible]	[illegible]	83	10,000	10,000	10,000	6,600	---	3,400	---	---
MICRO ENTERPRISE PROMOTION - (OPG)	G 527-[illegible]	84	85	714	714	714	157	---	457	---	90
DISASTER RELIEF AND REHABILITATION	L 527-[illegible]	83	85	3,000	3,000	3,000	2,506	---	494	---	---
PRIVATE SECTOR EXPORTS/INVESTMENT	* G 527-[illegible]	87	91	---	5,000	---	---	---	---	1,000	400
PRIV SECTOR POLICY PLAN AND INST DEV	G 527-[illegible]	85	89	---	5,000	500	210	1,450	1,270	1,800	1,620
SMALL INDUSTRY CREDIT	G 527-[illegible]	86	86	---	1,000	---	---	350	100	500	400
TOTAL FOR ACCOUNT				13,714	24,714	17,359	13,191	3,050	6,831	4,400	3,940
GRANTS				714	11,714	4,359	4,085	3,050	2,937	4,400	3,940
LOANS				13,000	13,000	13,000	9,106	---	3,894	---	---
INTERNATIONAL DISASTER ASSISTANCE											
DISASTER RELIEF AND REHABILITATION	G 527-[illegible]	83	85	16,475	16,475	13,597	7,582	---	5,900	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

PROJECT TITLE	* L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DISASTER RELIEF AND REHABILITATION	L	527-0277	83	85	37,181	37,181	37,181	28,990	---	8,787	---	---
DISASTER ASSISTANCE PROGRAM	L	527-0279	84	85	---	---	60,000	60,000	---	---	---	---
TOTAL FOR ACCOUNT					53,659	53,659	113,578	96,552	---	14,753	---	---
GRANTS					16,478	16,478	16,397	7,562	---	5,966	---	---
LOANS					37,181	37,181	97,181	88,990	---	8,787	---	---
SAHEL DEVELOPMENT PROGRAM												
DISASTER RELIEF AND REHABILITATION	G	527-0277	83	85	6,301	6,301	6,301	5,180	---	900	---	221
TOTAL FOR ACCOUNT					6,301	6,301	6,301	5,180	---	900	---	221
GRANTS					6,301	6,301	6,301	5,180	---	900	---	221
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
LOCAL DEV. INST. SUPPORT	G	527-0303	86	86	---	9,570	---	---	9,570	4,500	1,000	5,000
POLICY AND PROGRAM IMPROVEMENT	* G	527-0304	87	87	---	36,000	---	---	---	---	36,000	36,000
TOTAL FOR ACCOUNT					---	45,570	---	---	9,570	4,500	37,000	41,000
GRANTS					---	45,570	---	---	9,570	4,500	37,000	41,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					253,414	374,006	308,112	200,625	27,445	84,653	57,000	78,485
GRANTS					81,033	201,625	80,131	44,833	24,045	36,803	56,000	63,406
LOANS					172,381	172,381	227,981	155,792	3,400	47,855	1,000	15,079

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*Refers to the planned project summary sheet

ᶜLevel of effort activity

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PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title: Agricultural Sector Recapitalization
Funding Source: ARDN
AG, RD & N: 5,000 (G)
Health:
Population:
ED. & HR:
Sel. Act.:
Number 527-0282
☒ GRANT ☐ LOAN
☒ NEW ☐ CONTINUING

PROPOSED OBLIGATION (In thousands of dollars)
FY 87: 5,000 (G)
Life of Project Funding: 30,000 (G)
Initial Obligation: FY 87
Estimated Final Obligation: FY 91
Estimated Completion Date of Project: FY 92

Purpose: To support: 1) the financial and human recapitalization of private sector agricultural production, processing, and marketing systems; and 2) expand the technical and managerial capabilities of agricultural service institutions.

Project Description: The two fundamental problems of Peruvian agriculture are how to: (1) increase agricultural production and productivity; and (2) to improve the living standards of Peru's large rural population. The U.S. Presidential Agricultural Mission has pointed to the need to link strategic agricultural policy changes to specific agricultural assistance within an overall sector program. Building on progress already made in A.I.D. financed activities, the project will support:

1. Improved Policy Implementation. A.I.D.'s Agricultural Planning project (527-0238) has improved the quality of agricultural policy analysis and decision making. However, there is little capacity to implement policy decisions. Areas for improved implementation include agricultural credit systems, land tenure, irrigation operation and management systems, and private-sector investment promotion.
2. Land and Water Resources. This component will disseminate the technologies to improve land and water resource productivity. Activities include: a) on-farm water management; b) soil conservation practices; and c) range management.
3. Agricultural Research, Education and Extension (REE). The long-term REE efforts to develop and transfer agricultural technology will be expanded by: a) including crop and post-harvest management, integrated pest management, and livestock/forage research and extension; and b) incorporating farm management and production economics into REE activities.
4. Agribusiness, Agroindustry and Other private Sector Involvement. Private sector marketing and agroindustry systems are inadequate. Activities to be improved include: a) seed supply and distribution systems; b) marketing and storage enterprises; and c) private bank agricultural financing.

Relationship of Project to A.I.D. Country Strategy: This project supports A.I.D.'s country strategy to a) promote policies and programs for efficient resource use, and b) increase incomes of rural low-income families.

Host Country and Other Donors: The Inter-American Development Bank and the World Bank complement A.I.D. financing for REE activities. Other donor efforts focus on infrastructure and credit. The GOP finances agricultural credit and research programs.

Beneficiaries: The project will improve incomes of 547,000 small farmers and expand employment opportunities for 900,000 low-income rural families.

Major Outputs	All Years
1. Private agricultural policy foundation created and fully staffed	x
2. Macro economic studies and research completed	x
3. Model watershed management activities implemented	2
4. Acres with improved soil conservation	12,000
5. On-farm water & extension (number of farms)	16,000
6. Improved national REE program in place	X
7. Private agr. research and extension facilities created	8
8. Improved research at regional universities	5
9. Nationwide market information system operational	X
10. Improved private agricultural input services	X

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance	15,000
Commodities	5,000
Training	5,000
Local Costs	5,000
TOTAL	30,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000 (G)	25,000 (G)	30,000 (G)

Principal Contractors or Agencies

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title Health Sector Effectiveness for Child Survival		Funding Source	AG, RD & N	Health 3,500 (G)	PROPOSED OBLIGATION (In thousands of dollars) FY 87 3,500 (G)	Life of Project Funding 17,500 (G)
Number 527-0285 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 91
						Estimated Completion Date of Project FY 92

Project Purpose: To support the child survival initiative by improving the efficiency of and expanding the coverage of Peru's primary health care (PHC) system.

Project Description: Peru has one of the worst health care systems in Latin America. As a result, life expectancy is only 58 years and the infant mortality rate is about 50% higher than the Latin American average. During the period 1979-85, A.I.D. launched the first phase of its support to the GOP's primary health care (PHC) strategy by providing $25 million in health and nutrition funding to Peru. Based on evaluations of phase one projects and on a comprehensive Health Sector Analysis carried out in 1985, the child survival program will be expanded with public and private sector participation. The new Government of Peru (GOP) has already taken positive policy decisions to give greater priority to PHC, to decentralize medical personnel to rural and urban marginal areas, and to deemphasize high cost hospitals.

The program has four components: (1) primary health care service delivery including maternal child health, oral rehydration therapy, immunizations, growth monitoring, and nutrition education; (2) water and environmental sanitation; and (3) private sector alternative health delivery systems and support for research in diarrhea, nutrition surveillance, and targeting food aid; and (4) health policy and management improvement.

Relationship of Project to A.I.D. Country Strategy: Increasing the coverage and efficiency of social service delivery programs is an important component of the A.I.D. program strategy in Peru. This project implements that strategy by supporting key policy reforms to increase health system efficiency while providing funding for expanded delivery of PHC services and rural water systems.

Host Country and Other Donors: The Federal Republic of Germany has provided funds for primary health care, nutrition, water and related curative health activities. The Inter-American Development Bank and the World Bank have ongoing PHC projects within integrated regional development programs and with the Ministry of Health. PHC activities under a Pan American Health Organization project are also being implemented. The GOP is expected to contribute $10 million in counterpart funds to this project.

Beneficiaries: The primary beneficiaries will be about three million women and young children who receive cost effective PHC services.

Major Outputs	All Years
Policy Institute staffed and functioning	X
Oral Rehydration Therapy program	X
Diarrheal disease research	X
Local production of oral rehydration salts	X
Nutrition surveillance program	X
Water systems	800
Latrines	5,000
Management improvements in private and public health delivery systems	X

A.I.D.-Financed Inputs	Life of Project ($000)
Technical Assistance	5,000
Commodities	1,000
Training	4,500
Research contracts	2,500
Private Sector Support	4,500
TOTAL	17,500

U.S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,500 (G)	14,000 (G)	17,500 (G)

Principal Contractors or Agencies

AID 370-7 (11-85)

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: PERU

Title Private Sector Investment and Export Promotion	**Funding Source** SDA	**AG, RD & N**	**Health**	**PROPOSED OBLIGATION** *(In thousands of dollars)* FY 87 1,000 (G)	**Life of Project Funding** 6,000 (G)
Number 527-0286 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	**Population**	**ED. & HR**	**Sel. Act.** 1,000 (G)	**Initial Obligation** FY 87 **Estimated Final Obligation** FY91 **Estimated Completion Date of Project** FY 92

Purpose: To strengthen the role of Peru's private sector and increase foreign exchange earnings.

Project Description: Prices for Peru's traditional exports are and will most likely remain depressed. Peru's current debt burden and principal and interest arrearages prevent private commercial banks from maintaining loan levels. Domestic and foreign direct investment have fallen sharply due to past swings in Government of Peru (GOP) investment policies and an erratic attitude toward the role of the private sector in the economy. Yet, the GOP wants to encourage both private investment and non-traditional exports to overcome short and long-term economic difficulties. A major constraint to this effort is a persistent lack of accurate and timely information about investment and export opportunities and the policies and administrative practices affecting them.

This project, together with the Private Sector Policy Planning and Institutional Development (527-0298) and the Private Sector Management Improvement (527-0272) projects, seek to improve the investment and export environment in Peru. Specifically, it will strengthen both private and public institutions responsible for promotion of equity investments, exports, trade relations, business expansion and private initiative. Assistance will be provided to participating organizations to improve their capacity to analyze, formulate and publish regulations, laws and information on investment and international trade. The project will assist also individual private sector firms by providing funding for feasibility studies for financially and economically viable investments, technical assistance and training. The project will consist of four components: (a) information enhancement and supply; (b) feasibility studies; (c) organizational development and strengthening; and, (d) technical assistance and training.

Relationship of Project to A.I.D. Country Strategy: The project is consistent with the A.I.D. country strategy of supporting increased private sector involvement in achieving development objectives. It will complement other A.I.D. private sector activities which promote increased investments, small and informal sector enterprises, agribusinesses, rural entrepreneurs, management education institutions and the local business association and chamber network.

Host Country and other Donors: Both the GOP and other donors (particularly the IDB) have financed private sector projects, but have generally provided credit through public sector channels. The project will augment these credit inputs by supporting the long-term viability of the private sector with complementary technical assistance, training, and start-up analyses.

Beneficiaries: The project will: (1) improve Peru's balance-of-payment situation; (2) benefit formal and informal private sector, manufacturing, agricultural and service-sector firms; (3) help the population at large through an improved economic climate and additional productive employment.

Major Outputs	All Years
Entrepreneurs trained	275
Feasibility studies	75
New export products developed/new markets	X
Investments generated	X

A.I.D.-Financed Inputs	Life of Project ($000)
Technical assistance	3,500
Commodities	500
Training	750
Feasibilty Study Fund	1,000
Other costs	250
Total	6,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	**Estimated Total Cost**
Proposed Fiscal Year 1987	1,000 (G)	5,000 (G)	6,000 (G)

Principal Contractors or Agencies

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title Policy & Program Improvement	Funding Source ESF 36,000 (G)	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars) FY 87 36,000 (G)		Life of Project Funding 36,000 (G)
Number 527-0306 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 87	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY 87

Purpose: To support the formulation and implementation of high priority Government of Peru (GOP) economic policies and programs.

Project Description: In Peru's first democratic transition of power in 40 years, a new government assumed power in July, 1985 in the midst of a severe economic and social crisis. Living standards have dropped for the past ten years and, current per capita incomes are no higher than twenty years ago. They are particularly low in the impoverished south Sierra region, which is the site of the intransigent leftist "Sendero Luminoso" terrorist movement. Narcotics production and trafficking threaten the integrity of the government and local institutions and distort the economy. The new government has inherited a sizeable fiscal deficit, a difficult balance of payments situation, and a heavy international debt load.

This program will provide balance of payments support to ease the impact of policy changes necessary to foster economic growth. Specifically, economic Support funds (ESF) will provide balance of payments support as the GOP takes steps to stabilize the economy, increase exports, limit imports, and increase output, employment and incomes while it struggles to manage its international financial obligations.

Local currencies made available by the GOP as a result of this activity will be used to support critical development activities. These include: rural development efforts to increase production and output in the poor Andean regions, particularly the impoverished and terrorism-threatened south central Sierra region; develop activities which complement and support narcotics enforcement, eradication, and alternative crop development efforts; promotion of increased private sector investment; and activities to help strengthen the Peruvian judicial system.

Relationship of Project to A.I.D. Country Strategy: This program directly supports Peru's economic recovery and helps the GOP to address basic social and economic concerns while meeting its financial obligations. It also relates to A.I.D.'s strategy of supporting GOP narcotics control efforts, strengthening the judicial system, and providing social stability.

Host Country and Other Donors: The new government has undertaken the tasks of improving the living conditions of the most deprived Peruvian population, stopping terrorism and narcotics trafficking, and restoring the rule of law in the country. It has taken steps to stabilize and reactivate the economy. Other donors support these objectives and are providing assistance.

Beneficiaries: The primary beneficiaries will be the rural poor, especially the populations of the south Sierra and those in the present coca growing zones who will benefit from alternative crop and area development efforts financed with local currency. Both urban and rural poor will benefit from direct GOP development activities as well as the increased employment and income opportunities which will be derived from expanded private sector participation in the economy under more appropriate trade, investment and fiscal policies.

Major Outputs	All Years
Economic Stabilization	X

A.I.D. Financed Inputs	Life of Project ($000)
Balance of Payments Support	36,000(G)

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	36,000 (G)		36,000 (G)

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Private Voluntary Organizations - Operational Program Grant (OPGs)		200 (G)		FY 87 400 (G)	Life of Project Funding Continuing	
Number 527-9999 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR 200 (G)	Sel. Act.	Initial Obligation FY 78	Estimated Final Obligation FY Continuing	Estimated Completion Date of Project FY Continuing

Purpose: To strengthen the capacity of local and U.S. private and voluntary organizations (PVOs) to undertake community-level development projects and provide basic services in health and education to poor population groups in Peru.

Project Description: A.I.D.'s operation program grant (OPG) is an effective instrument to encourage development work by local and U.S. PVOs. OPGs have been especially effective in expanding the P.L. 480 Title II Food-for-Work program and in integrating it with A.I.D.'s development assistance programs. Private sector activities in health and nutrition, agricultural cooperatives, vocational training programs, and assistance to urban micro-enterprises are being supported through OPGs with U.S. and local PVOs.

In FY 1986, under the Food Assistance Program Support project (527-0302), A.I.D. will assist four PVOs which are implementing the P.L. 480 Title II program. The project will provide technical assistance and financial support to improve PVO planning, implementation, and evaluation skills, and thus increase the developmental impact of these programs.

Caritas, the Peruvian counterpart agency of Catholic Relief Services, will help with nutritional programs for poor residents of remote communities throughout Peru. The Peruvian Evangelical Service of Social Action will improve the nutritional level of poor sierra families while continuing critical reforestation programs. Under its OPG, CARE will continue to support urban infrastructure programs, primary health care, and job-creating activities such as vocational training and small-animal production. The Adventist Social Assistance and Philanthropic Work will continue its community improvement programs in urban slums and rural communities.

FY 1987 OPGs will support vocational education in marginal urban areas. A.I.D. will also continue its support to the four PVOs implementing the P.L. 480 Title II program and provide final funding for the Technoserve Cooperative Management project.

Relationship of Project to A.I.D. Country Strategy: The OPG program plays an important role in A.I.D.'s strategy by addressing malnutrition and hunger, testing low-cost models for providing social services and by integrating P.L. 480 resources into A.I.D.'s development program.

Host Country and Other Donors: PVOs working with Title II food aid receive extensive support from the GOP, which handles much of the in-country distribution. The PVOs are supported by the GOP through local currency deposits and other government funds.

Beneficiaries: OPG programs reach the poorest sectors in Peruvian society. Participants receive nutritional assistance and carry out self-help development activities.

Major Outputs	1987
PVOs strengthened	6
PVOs providing basic services to poor people	8
PVOs providing assistance to agricultural coops	1

A.I.D.-Financed Inputs	FY 1987 ($000)
Grants to participating PVOs	400 (G)

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	400 (G)			

AID 370-7 (11-85)

URUGUAY

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                                        FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY   (528) URUGUAY

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*BASIC DATA*
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TOTAL POPULATION.. (THOUSANDS,MID 1985)       2,936

PER CAPITA GNP.......... (DOLLARS,1983)       2,490

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (    -   )      %

ANNUAL RATE OF INFLATION (     -   )   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION  (1981)   5.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS
                    (1985)   TOTAL 73.5  MALE 71.5  FEMALE 75.4
                    (1970)   TOTAL 68.7  MALE 65.5  FEMALE 72.0

ADULT LITERACY RATE  (1975)   TOTAL  94%  MALE  93%  FEMALE  94%

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*AGRICULTURE*
--------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                          (1975-1984)   1.0%

AGRICULTURAL PRODUCTION AS % OF GDP..............(1983)    10%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        18


MAJOR CROP(S)                                 ARABLE LAND  YEAR
  SUBSISTENCE  POTATOES ,  ,.                          1%   ( 984)
  CASH: WHEAT ,RICE ,CORN                             21%   (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,BEEF AND VEAL ,WHEAT

MAJOR AGRICULTURAL IMPORTS:(1984) BARLEY ,RAW SUGAR ,POTATOES

PROPORTION OF LABOR FORCE IN AGRICULTURE.........(1975)    16%
-------------------------------
*CENTRAL GOVERNMENT FINANCES*
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TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
              (1979)      1,555 (80)       2,261 (81)       2,690
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
              (1979)      1,555 (80)       2,292 (81)       2,864
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
              (1979)         -0 (80)         -31 (81)        -174
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1979) 11.2% (30) 11.4% (81) 12.8%
  AS % OF GNP................. (1979)  2.4% (80)  2.6% (81)  3.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
  ($MILLIONS, U.S.)            (1982)   559 (83)   61[illegible] (84)   782
  EQUIVALENT TO  6.9 MONTHS OF IMPORTS (1983)
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*FOREIGN TRADE*
---------------
MAJOR EXPORTS(    )              .                    .

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   77  (1983)  104  (1984)  524
   AS % OF TOTAL EXPORTS (1981)    9% (1982)    7% (1983)  10%

MAJOR IMPORTS(    )              .                    .

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)  135  (1983)   52  (1984)   88
   AS % OF TOTAL IMPORTS (1981)   12% (1982)   14% (1983)   8%

TRADE BALANCE($ MILLIONS, U.S.)(1981)   -362(82)    218(83)    417

TRADING PARTNERS  BRAZIL ,UNITED STATES ,ARGENTINA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    58.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)................................ (1983)   292
    AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)...  (1983)  25.3%
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*SOCIAL DATA*
--------------
POPULATION GROWTH RATE...(1970)   0.1% (1978)   0.3% (1985)  0.4%

POPULATION IN URBAN AREAS............(1970)    82%   (1985)   85%

LIVE BIRTHS PER 1,000 POPULATION....(1970)      .    (1985)     18

MARRIED WOMEN AGED 15-44 YRS  USING CONTRACEPTION   (    )      %

POPULATION (1985) IN AGE GROUP
                 (0-14YRS) 26.2% (15-64YRS) 63.0% (65+ YRS) 10.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  26

PEOPLE PER PHYSICIAN................ (1979)    535

MAJOR CAUSES OF
DISEASE (    ) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (1978) HEART DISEASE   ,STROKE            ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   103%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  80%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY.........  (1982)  TOTAL   115   MALE   125    FEMALE   121
SECONDARY.......  (1983)  TOTAL  62.0   MALE  46.0    FEMALE  53.6
POST SECONDARY..  (1982)  TOTAL  16.7   MALE  14.7    FEMALE  18.8

ENERGY PRODUCTION AS % OF CONSUMPTION..............(    )       . %
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U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS

(U.S. Fiscal Years – Millions of Dollars)

COUNTRY URUGUAY

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	*	0.1	[illegible]	1.2	0.8	151.9	74.4	77.5
Loans	-	-	-	-	-	132.8	74.4	58.4
Grants	*	0.1	[illegible]	1.2	0.8	19.1	-	19.1
a. A.I.D. and Predecessor Agencies	-	-	-	-	-	[illegible]	[illegible]	[illegible]
Loans	-	-	-	-	-	[illegible]	33.5	[illegible]
Grants	-	-	-	-	-	16.7	-	16.7
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	-	-	-	-	-	[illegible]	[illegible]	21.4
Loans	-	-	-	-	-	50.9	32.2	18.7
Grants	-	-	-	-	-	3.5	-	[illegible]
Title I – Total Sales Agreements	-	-	-	-	-	50.9	32.2	18.7
Repayable in U.S. Dollars – Loans	-	-	-	-	-	32.1	29.1	3.0
Payable in Foreign Currency – Planned for Country Use	-	-	-	-	-	23.9	3.1	20.7
Title II – Total Grants	-	-	-	-	-	3.1	-	3.1
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	1.2	-	1.2
Voluntary Relief Agencies	-	-	-	-	-	[illegible]	-	[illegible]
c. Other Economic Assistance	*	0.1	[illegible]	1.2	0.8	13.6	11.7	[illegible]
Loans	-	-	-	-	-	11.9	11.7	0.2
Grants	*	0.1	[illegible]	1.2	0.8	[illegible]	-	[illegible]
Peace Corps	-	-	-	-	-	[illegible]	-	[illegible]
Narcotics	-	-	-	-	-	*	-	*
Other	*	0.1	[illegible]	1.2	0.8	1.4	-	[illegible]
II. MILITARY ASSISTANCE – TOTAL	-	-	*	0.1	0.1	89.4	22.7	66.7
Credits or Loans	-	-	-	-	-	18.3	22.7	4.4-
Grants	-	-	*	0.1	0.1	71.1	-	71.1
a. MAP Grants	-	-	-	-	-	61.0	-	61.0
b. Credit Financing – FMS	-	-	-	-	-	18.3	22.7	4.4-
c. Military Assistance Service Funded (MASF) Grants	-	-	*	0.1	0.1	6.8	-	6.8
d. Transfers from Excess Stocks	-	-	-	-	-	20.4	-	20.4
e. Other Grants	-	-	-	-	-	2.9	-	2.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	*	0.1	[illegible]	1.3	0.9	241.3	97.1	144.2
Loans	-	-	-	-	-	151.1	97.1	54.0
Grants	*	0.1	[illegible]	1.3	0.9	90.2	-	90.2
Other U.S. Government Loans and Grants	-	[illegible]	-	-	-	[illegible]	35.1	4.7
a. Export-Import Bank Loans	-	[illegible]	-	-	-	[illegible]	[illegible]	4.8
b. All Other Loans	-	-	-	-	-	[illegible]	[illegible]	0.1-

*LESS THAN $50,000

ECONOMIC PROGRAMS OF ALL DONORS

(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL..........	49.1	167.8	72.9	1044.8
IBRD	45.0	0.0	64.0	506.2
IFC	2.8	0.0	8.9	32.5
IDA	0.0	0.0	0.0	0.0
IDB	0.0	167.8	0.0	481.2
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.3	0.0	0.0	24.0
OTHER-UN	0.0	0.0	0.0	0.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

	CY 1982	CY 1983	CY 1978-83
United States	-	-	11.0
Germany, Fed. Rep.	3.7	3.1	17.8
Japan	1.2	1.4	6.6
Netherlands	0.5	0.6	5.5
France	0.7	1.5	3.4
Other	0.9	1.1	4.1
Total	7.0	7.7	48.4

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	60
Eastern Europe	-	-	30
Total	-	-	90

URUGUAY

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans		-	-	-	-	-	-	-
Grants		-	-	-	-	-	-	-
Total								
1986								
Loans	14,355	-	-	-	-	-	14,355	-
Grants	-	-	-	-	-	-	-	-
Total	14,355						14,355	
1987								
Loans	15,000	-	-	-	-	-	15,000	-
Grants	-	-	-	-	-	-	-	-
Total	15,000						15,000	

FY 1987
PROGRAM HIGHLIGHTS

-$15 million ESF balance-of-payments support to help achieve long-term stabilization and growth, strengthen the private sector, encourage free trade and investment, and reform tax administration and pricing policies.

URUGUAY

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	14,355	15,000
Grants	-	-	-
Total AID		14,355	15,000
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480		14,355	15,000

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total						
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government	-	-	-	-	-	-
Title II Total						
Total P.L. 480						

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

URUGUAY

Development Overview

Uruguay's most important sources of income are livestock and agriculture, which account for 90% of export earnings. Per capita gross national product (GNP) in 1984 was about $1,700.

The economy has been in trouble for a generation. Although basic reforms in the mid-1970s led to a resumption in growth, major setbacks occurred again in the 1980s. In early 1983, the Government of Uruguay (GOU) implemented reforms in the exchange regime, wages, fiscal, monetary, trade and debt management policies. The International Monetary Fund (IMF) provided a two-year standby agreement in April 1983 and external debt service due in 1983 and 1984 ($693 million) was rescheduled. The stabilization program did not achieve its aims and the IMF standby agreement was not renewed for 1984. A new agreement for about $125 million was approved in September 1985.

Uruguay, under its new democratic leadership, is attempting to achieve an open economy with free exchange transactions for both current and capital accounts and a reduction of general import tariffs. The new administration has undertaken a comprehensive economic adjustment program, but substantial internal structural and institutional problems and depressed international markets have slowed progress. Although agricultural development in Uruguay has been constrained by inefficient resource allocation, inadequate technical training and institutional development, there has been some recent progress, and Uruguay's resource base is strong.

The adjustment plan of the new government addresses most of the elements necessary for stabilization and recovery. Although the public sector deficit exceeded 10% of GDP in 1984, the GOU hopes to improve the situation by limiting public enterprise deficits, negotiating a reduction in interest payments, increasing collections on credits due to the central bank from the private sector and by improving tax collection. The government also plans to restrain monetary expansion, keep the exchange and trade systems free of restrictions, encourage exports and increase foreign investment by liberal trade and exchange regimes. Controls on interest rates have been rescinded. The GOU also plans to reschedule its debt service obligations, but has assured debtors that current commitments will be honored.

U.S Interests and Objectives

The new government has already won widespread support for its enlightened program of economic liberalization despite very difficult economic and political circumstances. The United States and Uruguay can both benefit from trade and investment opportunities which will arise from an open and liberal economy in Uruguay. Economic prosperity is essential to preserve the recent democratic gains in that country. The A.I.D program, in the form of Economic Support Funds (ESF), will be reactivated in FY 1986 to support consolidation of democratic rule and the GOU's economic adjustment and policy reforms. Our ESF support will also encourage greater GOU understanding of, and support, for U.S. policies in the South American region. In addition, we will strive for strengthened bilateral commercial relations and expanded mutual cooperation in the field of narcotics.

A.I.D. Development Strategy

Our program assistance will be designed to achieve both policy and development objectives. A.I.D. will provide ESF in FY 1986 and FY 1987 for balance-of-payments support. In our program negotiations with the GOU, we will seek further policy improvements such as improved tax administration, strengthening the private sector, reform of public enterprise pricing practices, decontrol of interest rates, and support for liberal trade, investment and exchange management policies.

Local currency associated with the ESF will be used for purposes agreed on by A.I.D. and the GOU such as technical assistance, training and support of private voluntary agencies.

A.I.D. Program (FY 1986)

A.I.D. will provide $14.355 million for economic stabilization in FY 1986 to help achieve a balance of payments adequate for stability and creation of the policy and institutional conditions which will assure long-term growth and a self-sustaining economy. A.I.D. resources will help restore a market-based system and develop the institutions necessary for economic recovery.

Requested Year Program (FY 1987)

The A.I.D. program of $15 million ESF proposed for FY 1987 will continue to provide needed balance-of-payments support for Uruguay's economic recovery.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: URUGUAY

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND												
ECONOMIC RECOVERY PROGRAM	L	528-0104	86	87	---	29,355	---	---	14,355	14,355	15,000	15,000
TOTAL FOR ACCOUNT					---	29,355	---	---	14,355	14,355	15,000	15,000
GRANTS					---	---	---	---	---	---	---	---
LOANS					---	29,355	---	---	14,355	14,355	15,000	15,000
TOTAL FOR COUNTRY					---	29,355	---	---	14,355	14,355	15,000	15,000
GRANTS					---	---	---	---	---	---	---	---
LOANS					---	29,355	---	---	14,355	14,355	15,000	15,000

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*Refers to the planned project summary sheet

=Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

LATIN AMERICA & CARIBBEAN REGIONAL

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LAC REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1985								
Loans	-	-	-	-	-	-	-	-
Grants	30,618	3,260	1,426	1,469	14,955	8,018	1,490	-
Total	30,618	3,260	1,426	1,469	14,955	8,018	1,490	-
1986								
Loans	-	-	-	-	-	-	-	-
Grants	34,102	3,790	2,236	3,073	12,824	5,480	6,699	-
Total	34,102	3,790	2,236	3,073	12,824	5,480	6,699	-
1987								
Loans	-	-	-	-	-	-	-	-
Grants	36,100	2,088	999	4,341	12,467	4,205	12,000	-
Total	36,100	2,088	999	4,341	12,467	4,205	12,000	-

FY 1987
PROGRAM HIGHLIGHTS

- $9.2 million for Regional administration of justice programs.
- $8.5 million for strengthening free trade union institutions in the Region.
- $5.34 million for Regional health and population activities.
- $5 million for long and short term training in response to Regional economic and political concerns.
- $3.3 million for human rights, environmental management and private sector projects.

LAC REGIONAL

RESOURCE FLOWS

(In thousands of dollars)

Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	25,608	51,675	44,241
Total AID	25,608	51,675	44,241
P.L. 480 **			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480			
Total AID and P.L. 480	25,608	51,675	44,241

* *AID levels represent actual and estimated expenditures*

** *P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480

(in thousands of dollars)

Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	–	–	–	–	–	–
Rice	–	–	–	–	–	–
Feedgrains	–	–	–	–	–	–
Vegoil	–	–	–	–	–	–
Non-food	–	–	–	–	–	–
Title I Total *(of which Title III is)*	–	–	–	–	–	–
Title II 1/						
Voluntary Agencies	–	–	–	–	–	–
Government - to - Government						
Title II Total	–	–	–	–	–	–
Total P.L. 480	–	–	–	–	–	–

1/ *See main volume P.L. 480 narrative and table for breakout of the World Food Program by country*

LAC REGIONAL

Development Overview

The LAC Regional program supports activities in Latin America and the Caribbean (LAC) which are implemented in more than one country or serve concerns of special interest which cannot be addressed as effectively through bilateral programs. The Regional program also permits A.I.D. to provide special services to the bilateral mission programs.

The Regional program supports organizations which carry out activities in all three of the area's sub-regions. Examples of these organizations are the American Institute for Free Labor Development (AIFLD) which has activities in nearly every LAC nation, and the Partners of the Americas (NAPA), which promotes private citizen involvement in Latin American development and partnerships between U.S. states and Latin American nations and cities. These two organizations have been very effective in working with and strengthening local institutions throughout the region. AIFLD, through the Free Labor Development project (598-0101), is strengthening free trade union institutions in Latin America and the Caribbean. Its activities are carried out through 16 national programs, a regional Agrarian Union Development activity, and a regional Union-to-Union program. The principal objectives of the partnerships supported by NAPA, through the A.I.D.-financed Partners of the Americas project (598-0436), are to increase private sector participation in the development process, to develop self-help efforts, to strengthen local community organizations, and to establish lasting friendship among the peoples of the United States and Latin America. The program, which includes 54 partnerships in 43 U.S. states working with their counterparts in 27 LAC countries, was evaluated in November 1985. The report recommended continuation of A.I.D. support, and was especially lauditory of NAPA fund raising efforts which have generated contributions representing 32% of total revenues, primarily from foundations.

The Regional program also finances projects to test and transfer innovative technologies on a pilot basis which, if proven successful in one or more countries, can be shifted to bilateral programs. For example, a pilot activity is being carried out by the Smithsonian's Caribbean King Crab Mariculture project, an innovative approach to sea farming which is low-cost, technologically simple, and potentially highly profitable to fishermen and commercial enterprises. The technology is based on the conversion of seaweed to high-quality protein by marine grazers, such as the Caribbean King Crab, and is being tested on a pilot basis in three Caribbean countries. This activity is one of several being funded under the Development of Environmental Management Systems project (598-0605) which is assisting developing countries to develop their natural resources on a sustainable basis. Other activities include regional experts (foresters, environmental management specialists, and a marine disaster and oil spill contingency planning specialist); technical assistance to host countries in environmental planning; support to indigenous environmental PVOs;

preparation of country and regional environmental profiles; and training, research and information management activities.

Institution-building on a regional basis is a key feature of the regional program. Projects in this area include Science and Technology Information Transfer (598-0572), Education Research Networks (598-0589), the LAC Statistics Training Center (598-0636), and the Technology Development and Transfer in Health project (598-0632) and Florida Association of Voluntary Agencies for Caribbean Action (FAVA/CA) (598-0630). Under the Science and Technology project, A.I.D. is working with the Department of Commerce's National Technical Information Service (NTIS) to develop a network of distributors of NTIS technological information. An evaluation conducted in the summer of 1985 found that the information system is being utilized by many businesses throughout the LAC region, especially those with about 250 employees. A number of these firms are cooperating with A.I.D. in private sector activities. The Education Research Networks project is building a network of education institutions which are studying the problems of educational access and relevance in the region. The project provides funds to the Center for Educational Research and Development (CIDE) which supports a network of centers located in 14 countries. The Statistics Training Center project will strengthen institutions in the region responsible for producing and using data to develop and implement policies and programs. The Health Technology activity is strengthening management systems in disease control and extending technologies in innovative health delivery systems. The project provides assistance to the Inter-American College of Physicians and Surgeons for clinical training, to the Association of University Programs in Health Administration for management training, and to the State University of New York at Stony Brook for health care. Under the FAVA/CA project voluntary services from the State of Florida will be channeled to the Caribbean.

A major focus of the LAC Regional program is training. Recent projects, developed in response to the region's developmental and political concerns, are the LAC Training Initiatives I (598-0622) and II (598-0640) (1982-1987) and the 1983 Caribbean Basin Scholarship Fund (598-0626). Under the Training Initiatives and Caribbean Basin Scholarship activities, over 1,200 participants have been trained in long- and short-term programs in the United States. Approximately 800 individuals will be trained under the LAC Training Initiatives II project over a three-year period which began in FY 1985.

The Regional program also enables A.I.D. to support programs in the advanced developing countries (ADC) in which A.I.D. does not have bilateral programs, such as Brazil, Colombia, Mexico and Paraguay. Examples of projects assisting ADCs are Training Initiatives II (598-0640), Development of Environmental Management Systems (598-0605), Small Project Assistance Program (598-0625), and Intercountry Technology Transfer (598-0616).
The LAC Regional program includes the Human Rights Initiatives (598-0591) and Private and Voluntary Organizations (PVO) Sector Policy and Program Design (598-0634) projects. These two projects supplement mission programs in these important areas, strengthen PVO activities through technical assistance, and expand human rights with grants to various regional institutions.

Program Summary

The LAC Regional program has averaged about 25 projects and $25 million in Development Assistance (DA) grant funding per year over the last five years. In FY 1985, the LAC Regional program totaled $29.13 million of DA funding and $1.5 million of ESF. The FY 1986 levels are $27.4 million and $6.7 million, respectively, with FY 1987 levels of $24.1 million DA and $12 million ESF.

A.I.D. Program (FY 1985 - FY 1986)

The Intercountry Technology Transfer project (598-0616) facilitates the flow of technical information to the advanced developing countries (ADCs). Activities include technical assistance in forestry development, health and population technology transfer, environmental studies, and vocational training methodologies. The Program Development and Support project (598-0000), as in previous years, continues to fund agricultural studies, population analyses, health seminars, education conferences, and project evaluations and design.

A. Agriculture, Rural Development and Nutrition. The Tenure Security and Land Market Research project (598-0638) which began in FY 1986, supports applied research on tenure and agrarian problems, particularly title security, agricultural land markets and post-reform adjustment problems. This regional approach to land tenure provides the important advantages of comparative research. Planned activities include comparative studies of land titling systems in Honduras, Ecuador, St. Lucia, Bolivia and Guatemala, and a review of organizational and productivity issues on group farms established in the 1960s and 1970s.

The Small Project Assistance Program (598-0625), which began in FY 1983, supports low-cost, high-impact projects at the village level. Activities are implemented through grants to the Peace Corps in ten LAC countries. Peace Corps volunteers, working with local community leaders, identify and carry out small development activities. An evaluation completed in the summer of 1985 showed that the project has been accomplishing its objectives and suggested ways in which the project could be expanded.

B. Health and Population Planning. The Technology Development and Transfer in Health project (598-0632) started in FY 1985 and is being implemented over four years by the Association of University Programs in Health Administration; the Interamerican College of Physician and Surgeons; and the State University of New York at Stony Brook. Services being provided include technical assistance, health care financing, health management training and health program design. The project will complete a minimum of nine country studies on health care costs, alternative financing, and demand for health services.

C. Education and Human Resources. The LAC Training Initiatives II project (598-0640), initiated in FY 1985 is a follow-on to the LAC Training Initiatives I project (598-0622) which finances short- and long-term training in the United States for participants from the public and private sectors. This regional initiative will be continued along with a companion Central American Regional project which will target Central American countries. Together, the projects will provide U.S. scholarships to nearly 8,000 individuals and will have an impact on a far greater number of beneficiaries through training-of-trainers multiplier effects. These projects represent a new training approach: scholarship diplomacy. Scholarship diplomacy places particular emphasis on selecting candidates who are socially and economically disadvantaged and who are likely to become social, political and entrepreneurial leaders. English-language and remedial training and orientation activities are programmed to permit the disadvantaged to participate fully. Undergraduate training, along with graduate and technical training, is included in the program. The U.S. private sector underwrites part of the training costs, thus reducing costs to A.I.D. Training evaluation and follow-up activities for returned trainees are given increased emphasis under the scholarship diplomacy activities. These programs are responsive to the private sector; approximately 70% of the trainees under these programs come from non-governmental sectors.

D. Selected Development Activities. The Private Sector Initiatives project (598-0619), which began in FY 1982, is stimulating private sector involvement in finding solutions to economic problems facing the region. Project funds are being used to ease the constraints to increased private investment. The International Executive Service Corps is stimulating joint ventures with U.S. partners in nontraditional export trade. Another important activity is being carried out through Caribbean/Central America Action. By coordinating country investment groups, these efforts have increased membership, improved private sector association services, and have resulted in more effective participation in national, private-sector policy development. In FY 1986, the project will develop a new approach to involvement of U.S. commercial banks and insurance companies in designing an insured export credit program.

The LAC Human Rights Initiatives project (598-0591), which started in FY 1978, supports programs of national and international organizations working to promote human rights throughout the region. Funds have been used to establish the Inter-American Institute of Human Rights and its sub-entity, the Center for Electoral Assistance and Promotion (CAPEL), and continue to help finance their education, research and promotional activities. Other examples include a regional program to promote and protect the human rights of Indians, a project to train teachers of human rights education at the community level in Central America and the Andean region, and research to determine the conditions and actions that most successfully allow transition from military rule to civilian constitutional government.

The LAC Statistics Training Center project (598-0636), initiated in FY 1985, is developing a training center for the management and data processing staff of organizations that are producers or users of statistical data in Latin America. The Center, Escuela de Estadistica Aplicada y Tecnicas de Computacion (ESAYTECX) will be located at the U.S. Bureau of the Census in Washington and will offer seminars throughout the region.

E. Economic Support Fund. In FY 1985 $1.49 million was provided to the American Institute for Free Labor Development project (598-0101) which seeks to improve free trade union leadership at all levels through a variety of educational activities and social projects. In FY 1986, $1.9 million of ESF is planned in addition to $6.2 million of DA funds.

The Human Rights Initiatives project (598-0591) is receiving $400,000 of ESF support in FY 1986.

The Regional Administration of Justice project (598-0642) which began in FY 1986 is supporting the efforts of regional and national LAC institutions dedicated to strengthening bar associations, law schools, judiciaries, court administration, public defender systems, prosecutorial staffs and investigative capabilities conducted under judicial or prosecutorial control. The project is receiving $4.4 million of ESF support in FY 1986.

Requested Year Program (FY 1987)

A total of $24.1 million of DA and $12 million of ESF is requested for the LAC Regional program in FY 1987. With the exception of the Science and Technology Information project (598-0572), all projects which were being implemented in FY 1986 are proposed for continuation and additional funding for FY 1987. No new projects are planned for FY 1987.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROJECT TITLE	*	PROJECT NUMBER	G/L	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	THROUGH [illegible] OBLIGATIONS	THROUGH [illegible] EXPENDITURES	ESTIMATED [illegible] OBLIGATIONS	ESTIMATED [illegible] EXPENDITURES	PROPOSED [illegible] OBLIGATIONS	PROPOSED [illegible] EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		[illegible]	G	[illegible]	C	---	---	[illegible]	[illegible]	[illegible]	[illegible]	757	700
[illegible]		[illegible]	G	[illegible]	[illegible]	517	517	[illegible]	[illegible]	---	125	---	---
[illegible]		[illegible]	G	[illegible]	C	---	---	[illegible]	[illegible]	[illegible]	650	[illegible]	[illegible]
INTERCOUNTRY TECHNOLOGY TRANSFER		[illegible]	G	[illegible]	C	---	---	[illegible]	[illegible]	[illegible]	400	375	425
LDC TRAINING INSTITUTIONS I		[illegible]	G	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	---	1,000	---	500
SMALL PROJECT ASSISTANCE PROGRAM		[illegible]	G	[illegible]	C	---	---	1,117	[illegible]	400	600	400	450
TENURE SECURITY AND LAND MARKET RESEARCH		[illegible]	G	[illegible]	[illegible]	[illegible]	[illegible]	---	---	150	100	200	250
LDC TRAINING INSTITUTIONS II		[illegible]	G	85	89	[illegible]	[illegible]	165	---	---	100	---	55
TOTAL FOR ACCOUNT						[illegible]	7,217	14,912	10,275	[illegible]	5,355	[illegible]	3,010
GRANTS						[illegible]	7,217	14,912	10,275	[illegible]	[illegible]	[illegible]	3,010
LOANS						---	---	---	---	---	---	---	---
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		[illegible]	G	[illegible]	C	---	---	[illegible]	477	[illegible]	1,400	74	150
INTERCOUNTRY TECHNOLOGY TRANSFER		[illegible]	G	[illegible]	C	---	---	[illegible]	---	1,000	1,500	925	550
PRIVATE AND VOL ORGANIZATIONS - GRANTS		[illegible]	G	[illegible]	C	---	---	---	---	700	250	100	125
TOTAL FOR ACCOUNT						---	---	[illegible]	477	[illegible]	[illegible]	999	1,125
GRANTS						---	---	[illegible]	477	[illegible]	[illegible]	999	1,125
LOANS						---	---	---	---	---	---	---	---
HEALTH													

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1986 are based on the authorized date. For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	C	---	---	432	357	538	675	161	150
INTERCOUNTRY TECHNOLOGY TRANSFER	[illegible]	84	C	---	---	500	---	1,435	1,650	1,635	1,700
TECHNOLOGY DEV AND TRANSFER IN HEALTH	[illegible]	[illegible]	[illegible]	6,500	6,500	350	---	500	1,000	900	1,000
LAC ACCELERATED IMMUNIZATION	[illegible]	86	90	---	9,270	---	---	500	350	1,665	1,700
TOTAL FOR ACCOUNT GRANTS LOANS				6,500 6,500 ---	15,770 15,770 ---	1,282 1,282 ---	357 357 ---	2,973 2,973 ---	3,675 3,675 ---	4,361 4,361 ---	4,550 4,550 ---
EDUCATION AND HUMAN RESOURCES											
PROGRAM DEVELOPMENT AND SUPPORT	[illegible]	[illegible]	C	---	---	344	[illegible]	[illegible]	778	167	175
FREE LABOR DEVELOPMENT AIFLD ([illegible])	[illegible]	[illegible]	C	---	---	[illegible]	78,277	5,156	9,500	6,500	7,000
RURAL COMMUNICATIONS [illegible]	[illegible]	[illegible]	[illegible]	2,079	2,239	2,239	1,[illegible]	---	176	---	---
TRAINING FOR DEVELOPMENT	[illegible]	[illegible]	[illegible]	[illegible]	4,702	4,702	4,724	---	373	---	---
[illegible] EDUCATION - [illegible]	[illegible]	[illegible]	[illegible]	1,227	1,227	1,227	1,001	---	226	---	---
INTERCOUNTRY TECHNOLOGY TRANSFER	[illegible]	[illegible]	C	---	---	629	21	[illegible]	700	500	600
LAC TRAINING INITIATIVES I	[illegible]	[illegible]	[illegible]	10,511	10,511	10,511	7,[illegible]	---	2,177	---	450
LAC EDUCATION INFORMATION NETWORK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	200	79	200	300	300	300
LAC TRAINING INITIATIVES II	[illegible]	[illegible]	[illegible]	[illegible]	19,961	3,56[illegible]	[illegible]	1,1[illegible]	7,500	5,000	7,500
TOTAL FOR ACCOUNT GRANTS LOANS				[illegible] [illegible] ---	[illegible] [illegible] ---	[illegible] [illegible] ---	[illegible] [illegible] ---	10,724 10,724 ---	21,721 21,721 ---	12,467 12,467 ---	15,455 15,455 ---

AGRICULTURAL [illegible]

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

CP 87

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG.	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT		G	598-0000	69	C	---	---	1,291	796	779	950	550	390
PARTNERS OF THE AMERICAS (NAPA) (PVO)		G	598-0406	65	C	---	---	8,208	7,319	800	1,450	800	975
SCIENCE AND TECHNOLOGY INFO TRANSFER		G	598-0592	77	86	5,673	5,773	3,373	3,016	600	450	---	107
HUMAN RIGHTS INITIATIVES		G	598-0591	75	C	---	---	2,314	4,751	500	1,500	600	850
DEV OF ENVIRONMENTAL MANAGEMENT SYS		G	598-0605	79	C	---	---	3,257	2,567	400	650	500	975
INTERCOUNTRY TECHNOLOGY TRANSFER		G	598-0616	84	C	---	---	1,237	99	600	1,500	600	975
PRIVATE SECTOR INITIATIVES		G	598-0619	82	C	---	---	4,333	2,755	1,172	1,900	1,200	1,295
PLA ASSOC OF VOLAG FOR DEV ACTION-OPG		G	598-0622	79	85	515	355	355	207	75	100	---	---
PVO SECTOR POLICY AND PROGRAM DESIGN		G	598-0634	85	86	670	650	150	44	70	100	75	100
LAC STATISTICS TRAINING CTR.		G	598-0635	85	89	1,000	1,000	747	---	100	350	300	350
TOTAL FOR ACCOUNT						7,438	5,578	22,457	21,443	5,450	9,172	4,225	5,977
GRANTS						7,438	5,578	22,457	21,443	5,450	9,172	4,225	5,977
LOANS						---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND													
FREE LABOR DEVELOPMENT AIFLD (PVO)		G	598-0101	62	C	---	---	5,692	6,000	1,914	2,500	2,000	2,350
SOLIDARIDOS (PVO)		G	598-0587	73	84	1,100	1,100	1,100	1,000	---	100	---	---
HUMAN RIGHTS INITIATIVES		G	598-0591	78	C	---	---	---	---	600	300	900	850
CARIBBEAN BASIN SCHOLARSHIP FUND		G	598-0626	83	83	7,500	7,500	7,500	4,776	---	2,000	---	724
REGIONAL ADMINISTRATION OF JUSTICE		G	598-0642	86	C	---	---	---	---	6,385	3,000	9,000	9,500

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					8,600	8,600	14,090	9,776	6,699	7,900	12,000	13,424
GRANTS					8,600	8,600	14,090	9,776	6,699	7,900	12,000	13,424
LOANS					---	---	---	--	---	---	---	---
TOTAL FOR COUNTRY					79,440	98,368	171,510	136,121	34,102	51,675	36,100	44,241
GRANTS					79,440	98,368	171,510	136,121	34,102	51,675	36,100	44,241
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

ᶜLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

TERMINATING PROGRAMS

GUYANA

411

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COUNTRY:  (504) GUYANA                              FY 87 CP ECONOMIC AND SOCIAL DATA

------------
*BASIC DATA*
------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)        768

PER CAPITA GNP ......... (DOLLARS,1982)        668

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (   .- .)   . %

ANNUAL RATE OF INFLATION (   .- .)   . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(    .)     . %

LIFE EXPECTANCY AT BIRTH, IN YEARS
                     (1985)   TOTAL 69.3  MALE 67.1  FEMALE 71.5
                     (1970)   TOTAL 63.3  MALE 61.1  FEMALE 65.6

ADULT LITERACY RATE  (1970)   TOTAL  92%  MALE  94%  FEMALE  89%

-------------
*AGRICULTURE*
-------------
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
                                             (1975-1984)  -1.6%

AGRICULTURAL PRODUCTION AS % OF GDP.............(1983)    20%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)        46


MAJOR CROP(S)                                     ARABLE LAND  YEAR
  SUBSISTENCE: RICE ,ROOTS AND TUBERS .BEANS-DRY     20%    (1984)
  CASH: RICE ,SUGARCANE ..                           70%    (1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RAW SUGAR ,RICE ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,OILSEEDS ,COTTON

PROPORTION OF LABOR FORCE IN AGRICULTURE........(1977)    29%
-----------------------------
*CENTRAL GOVERNMENT FINANCES*
-----------------------------
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
             (1977)        149 (78)         159 (79)         189
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
             (1977)        202 (78)         209 (79)         280
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
             (1977)        -52 (78)         -60 (79)         -91
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1976) 12.2% (77) 12.0% (78)  8.3%
  AS % OF GNP................. (1976)  8.1% (77)  5.9% (78)  3.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.
  ($MILLIONS, U.S.)             (1982)    11 (83)     6 (84)     6
  EQUIVALENT TO  0.2 MONTHS OF IMPORTS (1983)
```

```
---------------
*FOREIGN TRADE*
---------------
MAJOR EXPORTS(1983)BAUXITE        .SUGAR          .RICE

EXPORTS TO U.S.
   ($ MILLIONS, US, FOB) (1982)   52  (1983)   33  (1984)   80
   AS % OF TOTAL EXPORTS (1981)   26% (1982)   24% (1983)  18%

MAJOR IMPORTS(1983)MFRS           .MACHINERY      .FOOD

IMPORTS FROM U.S.
   ($ MILLIONS, US, CIF) (1982)   55  (1983)   53  (1984)   56
   AS % OF TOTAL IMPORTS (1981)   32% (1982)   24% (1983)  25%

TRADE BALANCE($ MILLIONS, U.S.)(1981)    -53(82)    -13(83)   -32

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,TRINIDAD AND T

EXTERNAL PUBLIC DEBT AS % OF GNP (1983)     190%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
    ($ MILLIONS, U.S.)..............................  (1983)    55
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....  (1983)  28.6%
-------------
*SOCIAL DATA*
-------------
POPULATION GROWTH RATE...(1970)   2.0% (1978)   0.2% (1985)  0.3%

POPULATION IN URBAN AREAS............(1970)    30%   (1985)   22%

LIVE BIRTHS PER 1,000 POPULATION.... (1970)    33    (1985)     28

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.   (1975)  32.0%

POPULATION (1985) IN AGE GROUP
                (0-14YRS) 37.3% (15-64YRS) 58.6% (65+ YRS)  4.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985)  32

PEOPLE PER PHYSICIAN............... (1979)  9,271

MAJOR CAUSES OF
DISEASE (1979) MEASLES          ,FLU & PNEUMONIA ,MALARIA
DEATH.. (1977) ACCIDENTS        ,STROKE          ,ENTERITIS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1977)   105%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980)  72%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
PRIMARY......... (1981)  TOTAL   109   MALE   110    FEMALE   108
SECONDARY....... (1975)  TOTAL  58.6   MALE  57.7    FEMALE  64.5
POST SECONDARY.. (1979)  TOTAL   2.3   MALE   2.6    FEMALE   2.0

ENERGY PRODUCTION AS % OF CONSUMPTION.............(1982)      0.1%
```

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: GUYANA

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
WEANING FOODS DEVELOPMENT	G	504-0073	78	82	1,168	1,168	1,168	598	---	---	---	---
TOTAL FOR ACCOUNT					1,168	1,168	1,168	598	---	---	---	---
GRANTS					1,168	1,168	1,168	598	---	---	---	---
LOANS					---	---	---	---	---	---	---	---
HEALTH												
RURAL HEALTH SYSTEMS	L	504-0066	79	79	2,900	2,900	2,900	2,330	---	---	---	---
TOTAL FOR ACCOUNT					2,900	2,900	2,900	2,330	---	---	---	---
GRANTS					---	---	---	---	---	---	---	---
LOANS					2,900	2,900	2,900	2,330	---	---	---	---
TOTAL FOR COUNTRY					4,068	4,068	4,068	2,928	---	---	---	---
GRANTS					1,168	1,168	1,168	598	---	---	---	---
LOANS					2,900	2,900	2,900	2,330	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PARAGUAY

```
                                                FY 87 CP ECONOMIC AND SOCIAL DATA
COUNTRY:  (526) PARAGUAY

------------                                                    --------------
*BASIC DATA*                                                    *FOREIGN TRADE*
------------                                                    --------------
TOTAL POPULATION.. (THOUSANDS,MID 1985)      3,989              MAJOR EXPORTS(1983)COTTON          ,OILSEEDS

PER CAPITA GNP.......... (DOLLARS,1983)      1,410              EXPORTS TO U.S.
                                                                   ($ MILLIONS, US, FOB) (1982)    9  (1983)   23
ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83)  4.5%           AS % OF TOTAL EXPORTS (1981)    5% (1982)    3%

ANNUAL RATE OF INFLATION (1973-83) 12.6%                        MAJOR IMPORTS(1983)FUEL/LUBRICANTS,MACH. MOTORS   ,

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION .(    .)    . % IMPORTS FROM U.S.
                                                                   ($ MILLIONS, US, CIF) (1982)   58  (1983)   38  (
LIFE EXPECTANCY AT BIRTH, IN YEARS                                 AS % OF TOTAL IMPORTS (1981)    8% (1982)    9% (1
                   (1985)   TOTAL 66.0  MALE 64.0  FEMALE 67.9
                   (1970)   TOTAL 61.3  MALE 59.3  FEMALE 63.4  TRADE BALANCE($ MILLIONS, U.S.)(1981)   -374(82)   -3

ADULT LITERACY RATE  (1972)   TOTAL  80%  MALE  85%  FEMALE  76% TRADING PARTNERS: BRAZIL ,ARGENTINA ,UNITED STATES

-------------                                                   EXTERNAL PUBLIC DEBT AS % OF GNP (1983)    30.4%
*AGRICULTURE*
-------------                                                   SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE               ($ MILLIONS, U.S.)...............................
                                           (1975-1984)   2.2%       AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ...
                                                                -------------
AGRICULTURAL PRODUCTION AS % OF GDP............(1982)   26%     *SOCIAL DATA*
                                                                -------------
POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982)       18 POPULATION GROWTH RATE...(1970)   2.7% (1978)   3.4% (

                                                                POPULATION IN URBAN AREAS............(1970)    37%   (

MAJOR CROP(S)                                 ARABLE LAND  YEAR LIVE BIRTHS PER 1,000 POPULATION ....(1970)          (
  SUBSISTENCE: CORN .. ..                             15%  (1984)
  CASH: SOYBEANS ,COTTON ..                           45%  (1984) MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION   (

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,SOYBEANS ,            POPULATION (1985) IN AGE GROUP:
                                                                              (0-14YRS) 40.3% (15-64YRS) 56.2% (65-
MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,FRUIT ,TOBACCO
                                                                INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS
PROPORTION OF LABOR FORCE IN AGRICULTURE........(1981)   44%
-----------------------------                                   PEOPLE PER PHYSICIAN................ (1982)  1,309
*CENTRAL GOVERNMENT FINANCES*
-----------------------------                                   MAJOR CAUSES OF
TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)                    DISEASE (1980) INFLUENZA        ,INTESTINAL INFEC,UNKNOW
               (1978)        324 (79)         407 (80)       509 DEATH.. (1978) STROKE           ,ENTERIC DISEASE ,ILL-DE
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
               (1978)        300 (79)         372 (80)       495 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS..   (1
  DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
               (1978)         24 (79)          34 (80)        14 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(
DEFENSE EXPENDITURES,
  AS % OF TOTAL EXPENDITURES.. (1978) 11.3% (79) 11.3% (80) 11.3% TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE (
  AS % OF GNP................. (1978)  1.4% (79)  1.2% (80)  1.3% PRIMARY......... (1982)  TOTAL   106   MALE   110    F
                                                                SECONDARY....... (1982)  TOTAL  37.1   MALE  25.1    F
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.  POST SECONDARY.. (1978)  TOTAL   6.1   MALE   6.9    F
  ($MILLIONS, U.S.)            (1982)   743 (83)   684 (84)   542
  EQUIVALENT TO 10.3 MONTHS OF IMPORTS (1983)                   ENERGY PRODUCTION AS % OF CONSUMPTION.............(19
```

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PARAGUAY

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEV. AND SUPPORT	G 526-0000	79	C	---	---	228	184	---	44	---	---
SMALL FARM TECHNOLOGY	G 526-0109	79	81	1,000	1,000	1,000	949	---	---	---	---
SMALL FARM TECHNOLOGY	L 526-0109	79	81	5,000	5,000	5,000	4,023	---	977	---	---
MINIFUNDIA CROP INTENSIFICATION	G 526-0113	79	81	2,000	2,000	2,000	1,817	---	---	---	---
TOTAL FOR ACCOUNT				8,000	8,000	8,228	6,973	---	1,021	---	---
GRANTS				3,000	3,000	3,228	2,950	---	44	---	---
LOANS				5,000	5,000	5,000	4,023	---	977	---	---
TOTAL FOR COUNTRY				8,000	8,000	8,228	6,973	---	1,021	---	---
GRANTS				3,000	3,000	3,228	2,950	---	44	---	---
LOANS				5,000	5,000	5,000	4,023	---	977	---	---

---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SURINAME

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: SURINAME

PROJECT TITLE *	L/G PROJECT / NUMBER C	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND											
TECHNICAL CONSULTANTS AND TRAINING	G 503-0014	82	82	500	500	500	---	---	---	---	---
TOTAL FOR ACCOUNT				500	500	500	---	---	---	---	---
GRANTS				500	500	500	---	---	---	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				500	500	500	---	---	---	---	---
GRANTS				500	500	500	---	---	---	---	---
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned or actual project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Congressional Presentation
Fiscal Year 1987
ANNEX IV

Centrally Funded Programs

ANNEX IV

Annex IV presents to the Congress all centrally funded programs for which A.I.D. is requesting development assistance funds for FY 1987.

The annex begins with an overview which explains the purpose for and objectives of the centrally funded programs. This is followed by a summary table which provides a breakout of funding requirements for each program from FY 1984 to FY 1987.

The next section consists of a topical narrative for each of A.I.D.'s major functional accounts which describes what the Science and Technology Bureau is doing in each of these areas. Each narrative is followed by planned project summary sheets which outline requests for proposed new projects in FY 1987.

The functional account narratives are followed by additional topical narratives which describes the activities of the Bureau for Private Enterprise, American Schools and Hospitals Abroad program, the Disaster Assistance program, the centrally funded Private and Voluntary Cooperation programs and the Science Advisor program including the U.S.-Israel Cooperative Development Research Program. Planned project summary sheets for new programs in FY 1987 are also part of this section.

While the centrally funded portion of the Food for Peace program is briefly described within the Agriculture, Nutrition and Rural Development narrative, a detailed description of this program's activities can be found in the Main Volume. The Main Volume also includes a more detailed description of Agency-wide private sector programs including coops and credit unions as well as Agency-wide Private and Voluntary Cooperation programs.

CENTRALLY-FUNDED PROGRAMS - TABLE OF CONTENTS

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Private and Voluntary Organizations 171

Science and Technology - Science Advisor 199
(Also the U.S.-Israel Cooperative Development Research Program) 206

OVERVIEW OF
CENTRALLY-FUNDED
PROGRAMS

1

PROGRAM SUMMARY *(In millions of dollars)*		
FY Actual	FY Estimated	FY Request
589,582	471,688 a/	467,333

CENTRALLY-FUNDED PROGRAMS

OVERVIEW

Centrally-funded programs include basic and applied research, development and testing of appropriate technology, private enterprise activities, private voluntary organizations and international disaster assistance. These programs are funded centrally because of their global focus, and because of efficiencies possible from consolidated central management. They:

-- Supply technical expertise to A.I.D. regional bureaus and field missions worldwide to assist developing countries in specialized fields such as agricultural production and rural development, population planning, nutrition, renewable and conventional energy, disaster preparedness, environmental activities, and the utilization of private enterprise to achieve development objectives;

-- Seek new solutions to development problems by financing experimental projects and pilot programs, developing and exploring new applications of science and technology and private enterprise, and evaluating the success of past initiatives;

-- Provide guidance and impetus to the Agency's private sector development initiative;

-- Support non-governmental development activities through assistance to private voluntary organizations and other private development and family planning intermediaries;

-- Provide emergency relief and rehabilitation assistance to countries stricken by natural disasters and other emergencies;

-- Support schools, libraries and hospitals abroad funded or sponsored by private U.S. non-profit organizations.

a/ Excludes $.4 million deobligated in FY 1985 and planned for reobligation under deob/reob authority.

Funding Solutions to Development Problems

Centrally-funded research and development programs concentrate on generic problems that cut across countries and regions, and which impede economic growth and social progress in developing countries. These activities fall into the following broad categories:

- The transfer of existing scientific and technological knowledge to meet the special requirements of Third World development;
- Basic and applied scientific research by cooperating institutions and individuals in the United States and in developing countries to address technological and social problems afflicting the rural and urban poor, including management and institutional constraints; and,
- Evaluation programs to determine the impact on the poor of past and current development efforts, to improve policy planning, project design and implementation methodologies.

Applying Expertise to Selected Global Problems

A.I.D.'s centrally-funded activities help to increase the effectiveness and efficiency of bilaterally-funded field operations by providing support services in key technical areas to assist missions and regional bureaus in carrying out their country programs.

- By managing contracts and other arrangements with universities, private firms and U.S. Government agencies to provide specialized technical assistance to missions and host governments in high priority development sectors such as agriculture, forestry and fuelwood, health and family planning;
- By initiating pilot projects that address key problems that field missions can replicate in other countries and regions;
- By maintaining a core staff of multi-disciplinary specialists who can advise and assist missions and developing countries in planning, designing and implementing their programs; and,

-- By providing technical logistical support services that can best be performed centrally, such as the administration of the Agency's participant training program, contraceptive procurement, and the collection and dissemination of development information and statistical data.

Development through Intermediary Organizations

Private assistance organizations such as Save the Children, CARE, Private Agencies Collaborating Together (PACT), the Credit Union National Association (CUNA), the National Cooperative Business Association (NCBA) and other cooperative development organizations, and the International Executive Service Corps (IESC) have become invaluable members of the foreign assistance community, both as channels for the effective use of U.S. contributions and as vehicles for bringing substantial private resources to the overall development effort. They have demonstrated a capacity for mounting programs that effectively meet the needs of the poor. A.I.D. provides centrally-funded assistance to the following types of intermediary organizations:

-- Private and Voluntry Organizations (PVOs) have established reputations as concerned and effective contributors to the U.S. development effort. Support of these organizations permits A.I.D. to share with the private voluntary community greater responsibility for implementing the nation's foreign assistance programs. A.I.D. proposes $32.7 million for its centrally-funded PVO program for FY 1987. These activities are described in more detail in the Private and Voluntary Cooperation narrative of this volume.

-- Cooperative Development Organizations (CDOs) in several sectors, including agriculture and housing, have proven to be effective in achieving development objectives through the promotion of cooperative and credit union development in LDCs. Capitalizing on the broad expertise of major U.S. cooperative organizations, A.I.D. proposes $6.0 million for its centrally funded CDO program. Activities funded are more fully explained in the Main and Central Volume under Private Enterprise.

-- Population Cooperating Agencies, including private, national and international organizations such as the Pathfinder Fund and the United Nations Fund for Population Activities (UNFPA), were among the first to understand the importance of family planning to economic development and to meeting the needs of the poor. They have extensive experience and expertise in this field and provide an important alternative to government-to-government programs. A.I.D. proposes a level of centrally-funded support for these organizations of $85.3 million in FY 1987.

- International Agriculture Research Centers (IARCs) are linked with United States and LDC national research programs and form an important element in a global network of research centers that develop and supply scientific and technological expertise needed to expand world food production. There are 15 centers, for which $46.3 million is requested in FY 1987 as the U.S. contribution.
- Institutions described in Title XII of the Foreign Assistance Act (U.S. land and sea grant universities and other eligible institutions) support the application of more effective agricultural technology to increase world food production. A.I.D. is proposing grants of $5.3 million to these institutions in FY 1987.

Development through Private Enterprise

The private sector can make a vital contribution to economic and social development through job creation, the transfer of technology and management skills, increased productivity to expand export earnings and other means.

Through the central Bureau for Private Enterprise (PRE), A.I.D. carries out the following activities in support of business initiatives and housing and urban development. Emphasis is on small/medium sized indigenous enterprises which have considerable impact on the achievement of basic human needs objectives:

- PRE serves as a laboratory for innovative and experimental programs that capitalize on available business expertise, and utilize to the maximun extent possible private enterprise, both LDC and U.S., to achieve development objectives.
- The Bureau works closely with field missions to develop country strategies and bilateral projects designed to utilize private enterprise as the mechanism for delivering assistance.

-- PRE focuses its efforts on removing impediments to private business growth; on financial market development; transfer, adaptation, and commercialization of technology; and divestiture and privatization.

Significant progress has been made in the five years since the private enterprise initiative was inaugurated. The policy framework for private investment has been improved in a number of countries; new capital market institutions have been created and the capabilities of existing institutions have been expanded; training programs for local entrepreneurs and business managers have been conducted. The Revolving Fund approved in FY 1984 enhances the impact of private sector activities, by providing investment incentives to private financial institutions to fill gaps in developing country capital markets. Several innovative satellite farming projects as well as support for small-scale entrepreneurs were also included in the FY 1985 Revolving Fund portfolio.

FY 1987 Request

In FY 1987 A.I.D. is requesting a total of $467,333 million for the centrally-funded programs.

-- $251.1 million - Science and technology, including $14.3 million for the Science Advisor;

-- $57.4 million - Food for Peace and Voluntary Assistance programs, including $10.0 million for ASHA;

-- $42.0 million - Private Enterprise initiatives;

-- $25.0 million - Foreign Disaster Assistance;

-- $13.6 million - Women in development activities, policy development and evaluations and Peace Corps activities; and

-- $78.3 million - support of UNFPA and the International Agricultural Research Centers.

SUMMARY OF FY 1987 CENTRALLY FUNDED PROGRAMS

	CENTRALLY FUNDED (Except PVOs)	PVOs 1/	TOTAL CENTRALLY FUNDED
Agriculture, Rural Dev and Nutrition	132.5	12.7	145.2
Population	146.6	-	146.6
Health	43.6	6.5	50.1
Child Survival	10.0	7.5	17.5
Education and Human Resources	9.4	1.0	10.4
Selected Development Activities	34.3	12.5	46.8
Science Advisor	14.3	--	14.3
Economic Support Fund	1.5	--	1.5
American Schools and Hosptials Abroad	10.0	--	10.0
Office of Foreign Disaster Assistance	25.0	--	25.0
TOTAL	427.2	40.2	467.4

1/ Includes PVC only

SUMMARY TABLE

7

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-87

B U R E A U	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
BUREAU FOR SCIENCE AND TECHNOLOGY									
1984	223,370	67,633	112,229	27,713	---	7,438	8,996	1,100	---
1985	258,294	79,641	122,050	35,369	1,365	8,092	10,747	1,030	---
1986	260,500	93,545	107,000	30,530	10,625	7,800	9,565	1,435	---
1987	236,850	61,150	114,300	36,500	10,000	8,100	5,300	1,500	---
BUR FOR FOOD FOR PEACE AND VOL ASSIST									
1984	68,293	17,163	---	5,033	---	2,168	13,929	---	30,000
1985	95,043	22,662	---	13,378	6,935	7,472	15,198	6,000	30,000
1986	87,590	23,465	---	9,500	7,300	1,630	12,200	---	33,495
1987	57,783	19,633	---	6,650	7,500	1,000	13,000	---	10,000
BUR. FOR PROGRAM AND POLICY COORDINATION									
1984	91,307	49,464	35,700	69	---	767	5,307	---	---
1985	98,222	47,916	36,236	70	7,500	1,253	5,279	---	---
1986	88,375	49,500	31,000	675	---	1,000	6,200	---	---
1987	91,875	51,650	32,300	1,125	---	1,300	5,500	---	---
BUREAU FOR PRIVATE ENTERPRISE									
1984	36,953	9,807	---	500	---	---	14,646	---	12,000
1985	42,257	8,484	---	2,523	---	---	12,750	---	18,500
1986	40,763	7,700	---	---	---	---	17,063	---	16,000
1987	42,000	13,000	---	6,000	---	---	23,000	---	---
OFFICE OF US FOREIGN DISASTER ASSISTANCE									
1984	41,707	---	---	3,652	---	---	---	---	38,055
1985	52,509	13,859	1,000	6,619	---	---	---	---	31,031
1986	21,532	---	---	---	---	---	---	---	21,532
1987	25,000	---	---	---	---	---	---	---	25,000
OFFICE OF THE SCIENCE ADVISOR									
1984	10,000	---	---	---	---	---	10,000	---	---
1985	12,000	---	---	---	---	---	12,000	---	---
1986	15,111	---	---	---	---	---	15,111	---	---
1987	14,258	---	---	---	---	---	14,258	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-87

B U R E A U	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
TOTAL									
1984	469,933	140,069	165,525	36,967	---	10,343	52,874	1,130	80,355
1985	589,582	172,559	166,255	77,958	13,500	16,807	55,972	7,000	79,531
1986	471,689	138,010	138,000	37,975	17,925	10,233	57,116	1,635	71,027
1987	467,333	145,200	146,600	50,075	17,500	10,400	61,058	1,500	35,000

ITEMS RETRIEVED 680

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

REGION: BUREAU FOR SCIENCE AND TECHNOLOGY

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OFFICE	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
AGRICULTURE									
1984	37,483	37,483	---	---	---	---	---	---	---
1985	38,543	38,543	---	---	---	---	---	---	---
1986	33,000	33,000	---	---	---	---	---	---	---
1987	36,300	36,300	---	---	---	---	---	---	---
EDUCATION									
1984	5,109	---	---	---	---	5,109	---	---	---
1985	7,418	1,450	---	---	---	5,968	---	---	---
1986	5,675	---	---	---	---	5,675	---	---	---
1987	5,675	---	---	---	---	5,675	---	---	---
ENERGY									
1984	9,342	1,796	---	---	---	---	6,446	1,100	---
1985	11,399	3,300	---	---	---	---	7,099	1,000	---
1986	6,735	1,300	---	---	---	---	4,000	1,435	---
1987	7,500	2,700	---	---	---	---	3,300	1,500	---
FORESTRY AND ENVR NAT RES									
1984	3,748	2,873	---	---	---	---	875	---	---
1985	6,049	4,749	---	---	---	---	1,300	---	---
1986	4,500	3,645	---	---	---	---	855	---	---
1987	5,800	4,800	---	---	---	---	1,000	---	---
HEALTH									
1984	24,113	---	---	24,113	---	---	---	---	---
1985	50,392	---	---	49,317	1,065	---	---	---	---
1986	36,125	---	---	25,500	10,625	---	---	---	---
1987	40,825	---	---	30,825	10,000	---	---	---	---
INTL TRAINING									
1984	1,396	---	---	---	---	1,396	---	---	---
1985	1,439	---	---	---	---	1,439	---	---	---
1986	2,000	---	---	---	---	2,000	---	---	---
1987	2,200	---	---	---	---	2,200	---	---	---
NUTRITION									
1984	7,532	6,532	---	1,000	---	---	---	---	---
1985	13,645	11,718	---	1,927	---	---	---	---	---
1986	10,375	8,375	---	2,000	---	---	---	---	---
1987	5,375	2,700	---	2,675	---	---	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

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REGION: BUREAU FOR SCIENCE AND TECHNOLOGY

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
POPULATION									
1984	112,825	---	110,225	2,600	---	---	---	---	---
1985	128,050	---	128,050	---	---	---	---	---	---
1986	107,000	---	107,000	---	---	---	---	---	---
1987	114,300	---	114,300	---	---	---	---	---	---
RURAL AND INSTITUTIONAL DEVELOPMENT									
1984	12,302	10,342	---	---	---	905	1,055	---	---
1985	12,769	11,199	---	---	---	675	895	---	---
1986	8,365	7,465	---	---	---	125	775	---	---
1987	8,275	7,450	---	---	---	225	600	---	---
PROGRAM OFFICE									
1984	1,576	1,183	---	---	---	---	393	---	---
1985	4,069	1,353	---	1,563	---	---	1,153	---	---
1986	2,275	1,500	---	---	---	---	775	---	---
1987	2,100	1,700	---	---	---	---	400	---	---
RESEARCH AND UNIVERSITY RELATIONS									
1984	7,676	7,451	---	---	---	---	225	---	---
1985	10,185	7,324	---	2,561	---	---	300	---	---
1986	8,400	5,260	---	3,000	---	---	140	---	---
1987	8,500	5,500	---	3,000	---	---	---	---	---
TOTAL									
1984	223,070	67,630	110,225	27,713	---	7,408	8,996	1,100	---
1985	283,953	79,641	128,050	55,368	1,065	8,092	10,747	1,000	---
1986	224,450	60,545	107,000	30,500	10,625	7,800	6,545	1,435	---
1987	236,850	61,150	114,300	36,500	10,000	8,100	5,300	1,500	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

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REGION: BUR FOR FOOD FOR PEACE AND VOL ASSIST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
AMER SCH/HOSP ABROAD									
1984	30,000	---	---	---	---	---	---	---	30,000
1985	36,000	---	---	---	---	---	---	6,000	30,000
1986	33,495	---	---	---	---	---	---	---	33,495
1987	10,000	---	---	---	---	---	---	---	10,000
FOOD FOR PEACE									
1984	4,519	4,519	---	---	---	---	---	---	---
1985	7,969	7,969	---	---	---	---	---	---	---
1986	9,035	9,035	---	---	---	---	---	---	---
1987	6,650	6,650	---	---	---	---	---	---	---
PRIVATE/VOL COOP									
1984	33,319	12,649	---	5,033	---	2,169	13,468	---	---
1985	55,090	14,691	---	13,378	4,935	7,472	14,614	---	---
1986	38,330	11,430	---	6,500	7,300	1,400	11,700	---	---
1987	40,200	12,750	---	6,450	7,500	1,000	12,500	---	---
PROGRAM MGT SUPPORT OFF									
1984	461	---	---	---	---	---	461	---	---
1985	584	---	---	---	---	---	584	---	---
1986	500	---	---	---	---	---	500	---	---
1987	500	---	---	---	---	---	500	---	---
TOTAL									
1984	68,299	17,168	---	5,033	---	2,169	13,929	---	30,000
1985	99,643	22,660	---	13,378	4,935	7,472	15,198	6,000	30,000
1986	81,360	20,465	---	6,500	7,300	1,400	12,200	---	33,495
1987	57,350	19,400	---	6,450	7,500	1,000	13,000	---	10,000

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-87

REGION: BUREAU FOR PRIVATE ENTERPRISE

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
COOPERATIVE DEVELOPMENT ORGANIZATIONS									
1984	3,557	3,557	---	---	---	---	---	---	---
1985	5,916	5,916	---	---	---	---	---	---	---
1986	6,000	6,000	---	---	---	---	---	---	---
1987	6,000	6,000	---	---	---	---	---	---	---
HOUSING AND URBAN DEVELOPMENT									
1984	2,902	---	---	---	---	---	2,902	---	---
1985	4,255	---	---	---	---	---	4,255	---	---
1956	5,500	---	---	---	---	---	5,500	---	---
1987	6,500	---	---	---	---	---	6,500	---	---
INVESTMENT									
1984	16,500	2,000	---	---	---	---	2,500	---	12,000
1985	18,500	---	---	---	---	---	---	---	18,500
1986	16,000	---	---	---	---	---	---	---	16,000
1987	13,500	5,500	---	6,000	---	---	2,000	---	---
POLICY AND PROGRAM REVIEW									
1984	10,992	1,250	---	500	---	---	9,242	---	---
1955	13,586	2,568	---	2,523	---	---	8,495	---	---
1986	13,260	1,700	---	---	---	---	11,560	---	---
1987	16,000	1,500	---	---	---	---	14,500	---	---
TOTAL									
1984	33,951	6,807	---	500	---	---	14,644	---	12,000
1985	42,257	8,484	---	2,523	---	---	12,750	---	18,500
1986	40,760	7,700	---	---	---	---	17,060	---	16,000
1987	42,000	13,000	---	6,000	---	---	23,000	---	---

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

Responsible Officers:

Nyle C Brady

Dr. NYLE C. BRADY
Senior Assistant Administrator
Bureau for Science and Technology

Julia Chang Bloch

JULIA CHANG BLOCH
Assistant Administrator
Bureau for Food for Peace
and Voluntary Assistance

PROGRAM SUMMARY (In millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
135.5 *	118.9 *	119.5 *

AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION

Overview

Although real progress has been made toward food and agricultural self-reliance in a number of Asian and Latin American countries, a great gap remains between food production and food needs. Millions of people in these regions are still poor and malnourished. A potentially catastrophic food crisis is developing in sub-Saharan Africa where per capita food and agricultural production continues to decline in most countries. The basic causes of continuing hunger and malnutrition are inadequate availability of food, the inability of the poor to acquire and consume adequate diets, and a population growth rate that outstrips current production capacity.

Depleted natural resources, man-made and natural disasters, pervasive unemployment, and the lack of rural services and social infrastructure continue to threaten the lives of millions of rural residents in most of the developing world. Inappropriate economic and agricultural policies are often among the causes of continued low agricultural productivity and nutritionally inadequate diets. Deforestation and deterioration of the natural resource base continue as land is cleared for agricultural production, urbanization proceeds more rapidly, and substitutes are sought for high-priced imported fuels. Rural incomes remain low while rural unemployment rates range seasonally from 25 to 60 percent.

Centrally funded programs supported by the Agriculture, Rural Development, and Nutrition account (Section 103 of the Foreign Assistance Act) obligated $135.5 million in FY 1985, are estimated at $118.9 million in FY 1986, and are proposed at $119.5 million for FY 1987.

POLICIES

The objective of U.S. food and agricultural assistance is to help developing countries assure an adequate diet and food security for their populations while contributing to broadly-based economic growth.

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* Excludes centrally funded Private and Voluntary Cooperation Program Activities totaling $14.7 million in FY 1985, $11.4 million in FY 1986, and $12.8 million in FY 1987.

Increased food availability and improved food consumption are necessary to fulfill these broad objectives. Increased agricultural production, with emphasis on small farmers, and greater economic efficiency in marketing and distribution, will lead to the availability of more food. Improved food consumption will result from expanded productive employment for men and women; the inclusion of sound nutrition principles in marketing, health and education programs; and effective distribution of food to those facing malnutrition and temporary food shortages.

To accomplish these objectives, A.I.D.'s food and agriculture development assistance will concentrate on: (1) improving country policies; (2) developing human resources and institutional capabilities with emphasis on the generation, adaptation, and application of improved technology; (3) expanding the role of both the LDC and U.S. private sectors; and (4) employing all assistance instruments, including food aid, in an integrated manner.

It is A.I.D. policy to emphasize increasing the productivity, incomes and market participation of small producers. In addition to their role in increasing food production, small producers are a stimulus to off-farm rural enterprise and to the generation of employment opportunities for landless laborers and subsistence farmers.

Section 103 funds also support a portion of the central programs in forestry, natural resources, and energy. A.I.D.'s research policy objectives include increased production of fuelwood supplies through selection and improvement, re-integration of forestry on farms through agroforestry, and the identification of alternative biomass fuel supplies.

DESCRIPTION OF THE CENTRALLY-FUNDED PROGRAMS

The central use of the 103 account is divided into seven major categories: agriculture, nutrition, rural and institutional development, forestry and natural resources, energy, research and university relations, and food aid. A description of each program follows.

I. AGRICULTURE

The centrally funded agriculture program complements bilateral assistance by undertaking field research, supporting long-term U.S. based research for workable LDC adaptation, providing short-term technical assistance, and providing academic and technical training. Five research priorities for improved food production have been identified: (1) the development of systems for sustained production in less favorable environments; (2) the establishment of systems for sustained high production in relatively favorable areas, emphasizing irrigation management; (3) the adoption of country-specific actions for pre- and postharvest protection of crops and animals; (4) the formulation of food and agriculture policy; and (5) the development of national agricultural research capabilities.

Centrally-funded Section 103 programs in agriculture obligated $38.5 million in FY 1985, are estimated at $33.0 million in FY 1986, and are proposed at $36.3 million in FY 1987. (These totals do not include funds obligated by PPC for the International Agricultural Research Centers in the amount of $45.16 million in FY 1985, $46.25 million estimated in FY 1986, and $46.25 million proposed in FY 1987.)

A. Long-Term Research and Technology Transfer: International Centers

The central program administers the U.S. core budget contribution to the International Agriculture Research Centers (IARCs) sponsored by the Consultative Group on International Agricultural Research (CGIAR). The U.S. contribution averages about 25 percent of total donor contributions.

The IARCs develop improved technologies for LDCs. Their output also enhances the effectiveness of national research systems and local private industry by providing information, germplasm and technologies for development. The IARCs train LDC scientists, extension agents, and research administrators in the adaptation and application of research results to local conditions. They breed new crop varieties and develop production techniques for LDC use. These programs are designed to meet the needs of small farmers and other poor consumers. The IARCs have produced measurable progress. Farmers have increased their production, food supplies have expanded, and food costs have been reduced.

Crop production research is the major focus of seven of the centers: the International Rice Research Institute (IRRI), the International Center for Improvement of Maize and Wheat (CIMMYT), the International Institute of Tropical Agriculture, the International Center for Tropical Agriculture, the International Crops Research Institute for the Semi-Arid Tropics, the International Potato Center, and the International Center for Agricultural Research in the Dry Areas. The International Board for Plant Genetic Resources provides a supporting role.

Most of their research focuses on development of increased yield capacity, increased resistance to insects and diseases, improved tolerance for adverse soil and water conditions, or reduced growing time to favor higher and more stable production within a large range of LDC farm environments.

Increased production of wheat and rice, the staples of many LDCs, is the greatest IARC success. In 1982-83, it is estimated that about 41.8 million hectares of wheat and 39.2 million hectares of rice were planted in high yielding varieties in the developing world (excluding Communist Asia). This represents about 60.9 percent of the wheat area and 41.6 percent of the rice area. The incremental production from these varieties and associated inputs such as fertilizers was about 54 million tons in 1983. The value of this increase was about $8.5 billion.

The impact of international center activities is increasingly being felt in other crops. Developing countries have released over 200 corn varieties developed from genetic materials provided by the centers. Half of these varieties are grown in Latin America, with the rest divided between Africa and Asia. The new varieties are estimated to cover 6 million hectares in over 15 countries. Other releases include over 60 center-related cassava varieties in 16 countries; 30 sorghum varieties and 8 millet varieties in 12 countries; and 29 cowpea varieties in many African countries.

Livestock research is carried out at the International Livestock Center for Africa (ILCA) and the International Laboratory for Research on Animal Disease (ILRAD) in Kenya. ILCA is working to improve the use and productivity of livestock under a number of different cultural and ecological conditions. ILRAD is making progress toward control of two livestock diseases, Theileriosis (East Coast fever) and Trypanosomiasis (known as sleeping sickness in humans).

Other research programs are carried out by the International Food Policy Research Institute and the International Service for National Agricultural Research which concentrate on agricultural policy and on research planning, respectively.

The proposed FY 1987 funding level for the IARCs sponsored by the CGIAR (project 936-4111) is $46.25 million.

Three other IARCs, not formally part of the CGIAR network, also receive core funding from the United States through the central program. The Asian Vegetable Research and Development Center receives about 25 percent of its core budget from A.I.D. The International Irrigation Management Institute, formed in 1984, receives about 10 percent of its core budget from A.I.D. A small amount of start-up funding is being provided to the International Board for Soil Research and Management. The proposed FY 1987 funding level for these other programs is $1.95 million.

B. Collaborative Research Support Program (CRSP)

The purpose of collaborative research is to increase the production of staple foods and to improve food research capability among LDC scientists. This program, conducted by consortia of U.S. universities, represents a fairly long-term investment in research, training and technology development.

Each CRSP has its own speciality -- sorghum and pearl millet, beans and cowpeas, tropical soil management, small ruminants, pond dynamics, and peanuts. There is also a CRSP for nutrition. (See the nutrition section of this narrative for discussion). A fisheries stock assessment CRSP began in FY 1985. Forty-three U.S. Title XII universities, two private non-profit research institutions and the U.S. Department of Agriculture (USDA) participate in the CRSPs. Research involves 91 institutions in 52 host countries. The CRSPs have cooperative relationships with eight of the IARCs.

The CRSPs are producing results at a relatively early stage in their operation. The Small Ruminants CRSP supports research to increase yields of milk, meat, and fiber from sheep and goats, typical livestock of the poor in developing countries. Under this CRSP scientists from Kenya and the United States have developed an experimental, potent, heat-stable vaccine and a rapid field diagnostic test for contagious caprine pleuropneumonia (CCPP), a major goat disease. As soon as current studies are completed, the diagnostic tests and vaccine can be used in countries plagued by CCPP. Plans are under way to cooperate with private industry to develop the vaccine in quantity for widespread future use. The same procedures developed in this research could lead to control of contagious bovine pleuropneumonia, which is an even more economically devasting disease and a threat to U.S. cattle producers. The CCPP vaccine research, employing rather sophisticated biotechnology techniques which could be carried out only in an LDC to avoid introduction of the disease into the United States, illustrates the achievements possible through collaborative effort.

Researchers with the Sorghum and Millet CRSP are working on a pilot project in the Sudan to multiply and distribute good quality seed of a new sorghum hybrid. The pilot project will help to ensure adequate supplies of seed during the transition period from government seed production and distribution to private production and marketing. If, as is now projected, 25 percent of Sudan's current sorghum acreage is planted to the hybrid by the end of the decade, that could double total sorghum production and reduce food deficits.

The Beans and Cowpeas CRSP has developed drought-resistant, high-yielding cowpea lines by crossing lines from California and Senegal. These new lines have produced two to four times the average yield of traditional lines in tests under unusually dry conditions in Senegal. Senegalese scientists are now testing these cowpeas on farmers' fields. Cooperative linkages between the CRSP and the IARCs will extend the outputs of this project to Latin America and other parts of Africa.

The Peanut CRSP has developed methods to reduce hazards to humans by identifying beneficial bacteria which may destroy toxin-causing fungi. The CRSP, in collaboration with host country institutions, has conducted surveys to determine the role of peanuts in the diet and consumption patterns of Africa, Southeast Asia, and the Caribbean. These survey results give host institutions a quantitative basis for designing national product improvement programs.

Research in Niger under the Soil Management CRSP has shown that branches discarded by woodcutters serve as mulch to trap windblown soil and increase water infiltration and there germination of native tree and shrub seedlings. This benefit was observed even in one of the driest years on record. The

CRSP will encourage adoption of this practice to insure firewood supply, provide livestock forage, and control erosion. This CRSP has also demonstrated that paddy rice farming is possible in the Amazon basin of Peru. As a result, Peru is self-sufficient in rice for the first time in years. The techniques are relative simple and many of the successful farmers formerly were farm laborers working for day wages on the research project.

CRSPs have established ties with A.I.D. technical assistance projects in several countries. A farming systems project in Botswana gets support from the Bean and Cowpea CRSP. The Sorghum and Millet CRSP provides scientific information to SAFGRAD (Semi-Arid Food Grains Research and Development) countries and to a cereals research and development project in Niger. The Pond Dynamics CRSP helped design an aquatic resources development project in Indonesia. The Peanut CRSP supports research in an A.I.D. project in Cameroon. Proposed total funding in FY 1987 for the agriculture CRSPs is $14.8 million.

C. Research and Services for Technology Development and Transfer

The research and services activities cover agricultural production, renewable natural resources, and economic policy and planning. The projects are consistent with the objectives of the food and agriculture policy and respond to the research priority areas.

1. Agricultural Production

This program includes projects in crop production, crop protection, pre- and postharvest food loses, and livestock health and production. Agricultural production projects for FY 1985 through FY 1987 continue the increased collaboration among A.I.D. bureaus begun in FY 1984.

The Integrated Pest Management and Environmental Protection project (936-4142) which began in FY 1985 combines the major features of two earlier projects in pest management (931-0930) and weed control (931-0206). The project will provide technical assistance and training in pest and pesticide management and weed control. Demand for these services continues to increase as a result of the widespread recognition that improved pest and pesticide management offers one of the most cost effective and environmentally sound ways to increase agricultural production. The new project encourages the establishment of networks to coordinate regional crop protection research activities. Research networks will provide access to interdisciplinary expertise, information, new technologies and reduced costs to a greater number of LDCs than would otherwise be possible through the individual efforts of country programs.

In order to reap the benefits of improved crop varieties, farmers must have good quality seed in sufficient quantities for their acreage. Since 1956, the Seed Technology Laboratory at Mississippi State University has provided training and technical assistance to developing countries in all aspects of seed technology. Special emphasis is given to the areas of seed production, drying, processing, storage, quality evaluation and control which are major constraints in the LDCs. A new project, initiated in FY 1986, R&D of Improved Seed Production and Utilization (936-4143), builds on the success of predecessor projects by emphasizing adaptive research and network building among U.S. and LDC national, regional and international organizations and institutions. The project's activities are designed to help LDCs to develop viable seed production and utilization systems in both the public and private sector. Among other activities, the project will assist six selected LDCs, representative of the three regions, to establish their own seed research and training programs.

2. Renewable Natural Resources

This program includes projects in soil and water management, biotechnology, and fisheries and aquaculture. As a result of progress made under project 936-4055, Colorado State University (CSU) is carrying out an expanded Biotechnology for Tissue Culture project (936-4137) which continues to develop new lines of food crops adapted to environmental stresses such as high acidity, salinity, heat and drought. Nearly 120,000 rice plants can now be produced in six months based on tissue culture regeneration techniques. Rice breeders no longer have to wait several years to collect seed for experiments. CSU has sent tissue-culture derived rice seed to IRRI, from where, if successful, it will be distributed to national research institutions and then to producers. CSU has established collaborative agreements to exchange personnel and technical assistance with CIMMYT and IRRI. Similar agreements are under discussion with other IARCs.

The first annual meeting of the International Plant Biotechnology Network was held at CSU in September, 1985. Ninety-four participants from 21 countries attended and discussed network design and possible collaborative activities. A six month tissue culture training course was initiated in September, 1985, at CSU, with six LDC scientists participating.

The ongoing Water Management Synthesis II project (936-4127) assists LDCs to develop the capacity to improve efficiency, water allocation, and use of existing irrigation systems. This projects has responded to over 100 requests for technical assistance and training by carrying out irrigation sector reviews, project design and evaluation, diagnostic analysis workshops, and problem-solving efforts ranging from operation and maintenance to curriculum development. The project has produced special studies on rehabilitation and improvement of existing systems, farmer participation and user organizations, small-scale and locally-managed systems development, main system management, on-farm and command area development, and water pricing and policy. Over 30 publication have been produced as well as three major videotape training sets.

The focus has been on Asian irrigation systems, but irrigation in Africa will be emphasized during the last two years of the project. A major conference and two workshops are being planned for Africa. The proposed FY 1987 funding level for the S&T Bureau contribution is $1.850 million. The Asia and Near East and Africa Bureaus will contribute $1.4 million.

LDCs are spending more than $8 billion annually on commercial nitrogen fertilizer. It is estimated that by the year 2000 they will be spending more than $50 billion for nitrogen fertilizer. Nitrogen can be supplied to some plants through biological nitrogen fixation (BNF). Legumes such as beans and peas can get most of their nitrogen from the atmosphere if their roots develop nodules containing special bacteria (rhizobia). These bacteria are supplied by inoculants that cost less than 1/10 as much as nitrogen fertilizer for equal yields. BNF potentially can reduce dependence on chemical fertilizer by 20 percent, resulting in reduced fertilizer costs for LDCs amounting to more than $1 billion each year.

Under the Nitrogen-Fixation project (931-0613), the University of Hawaii oversees rhizobia inoculation trials by scientists in developing countries. Results from several countries indicate an increased average yield from initial soybean plantings. Without inoculation, at least 100 kilograms of commercial nitrogen per hectare were required to achieve a similar yield. With rhizobia inoculation, input costs were reduced by more than $20 per hectare.

The central BNF program also includes a Biotechnology-Limiting Factors project (931-0610) through which small, short-term grants are awarded to support research on the development of improved BNF technology and on the application of biotechnology to overcome constraints to improved plant and animal strains. The grants emphasize collaborative work involving to date a total of 45 U.. scientists and 65 LDC scientists from 31 countries. These studies have involved 16 different legumes, with common beans studied in 30 of the projects. Among other achievements, (1) a breeding method has been developed that allows nitrogen fertilizer to be reduced by 80 kilograms per hectare with no decrease in bean yield; and (2) bean yields increased more than 100 kilograms per hectare with improved rhizobia inoculants in several field trials.

A new project, Improved Plant and Animal Tolerance to Stress (936-4176), will start in FY 1986 which will launch a research program to use and adapt the methods of biotechnology to increase food production in LDCs and to develop biotechnology skills of LDC scientists. Three research areas have been identified for this program: (1) new and improved vaccines to control animal disease; (2) biological control of plant pests and diseases; and (3) biological engineering for improvement of plant stress tolerance. The work will be conducted under a number of grants and contracts in collaboration with LDC institutions linked together in a network for specific subject areas.

The International Fertilizer Development Center (IFDC) project (931-0054) carries out a research, development, training and technical assistance program for LDCs. The objective of the program is to make fertilizer more efficient and less costly to the farmer. Current efforts focus on more efficient production, storage, and transport systems, and better ways to educate users in cost-effective application of fertilizer. IFCD's research has developed improvements in the composition, physical form, and application of fertilizer. Research to date has concentrated on nitrogen, phosphorus and, most recently, sulfur for tropical agriculture. In nitrogen research, IFDC has shown that nitrogen fertilizer requirements for paddy rice can be cut in half by deep placement instead of broadcasting. Current applied work is aimed at reducing the labor cost of the technique. Basic research has shifted to the utilization of nitrogen in upland tropical crops. Phosphate research has focussed on ways to use phosphates found in developing countries to meet crops' requirements. For example, some phosphate rocks may be used after simple grinding, but others may be most economically used when only modified. New attention is directed at defining areas where sulfur deficiency is limiting crop yields and the response to applications of nitrogen and phosphorus. Large areas in both Africa and Asia are sulfur deficient; the full extent of these areas is being defined in cooperation with national research organizations.

Technical assistance and training are provided in fertilizer production, marketing and use. The project has conducted feasibility studies and assisted in the startup of commercial facilities based on processes developed at IFDC or Tennessee Valley Authority. During the past year training was provided for 258 visitors, which included engineers, agronomists and managers, from 45 LDCs.

3. Economic Policy and Planning

Agricultural policies are often significant determinants of LDC economic performance, but developing and implementing appropriate policies can be difficult. Assistance to strengthen policy analysis and planning provided by project 936-4084 helps meet another of A.I.D.'s research priorities in agricultural and rural development. Institution-building activities in this field have been successful in Niger the Dominican Republic, Liberia, Ecuador, Senegal, and Sri Lanka.

An on-going project in Farming Systems Support (936-4099) is a multidisciplinary effort to increase the productivity and income of limited-resource, small farmers. Farming systems research and extension offers an approach to agricultural research that examines the whole farm operation rather than simply looking at biological responses in the farm field. Project activities have concentrated in Africa, with a West African workshop on animal power conducted in Togo and technical assistance and workshops in Senegal, Gambia, Zaire, and Burkina Faso.

II. NUTRITION

The centrally funded Section 103 program in nutrition works to integrate nutrition concerns into sector programs as well as to operate direct nutrition projects. The central program provides technical assistance and training for nutrition planning and analysis, it supports research and provides the means for treatment of nutritional blindness and other health problems caused by vitamin A deficiency and iron-deficiency anemia, and it works to improve maternal and infant nutrition.

The nutrition program funded under Section 103 was $11.7 million in FY 1985, is estimated at $8.4 million in FY 1986, and is proposed at $2.7 million in FY 1987. (Portions of the central nutrition program are funded under the Health account).

The Vitamin A Deficiency Program Support project (931-0045) has been expanded to include intervention programs in Indonesia, Bangladesh, Malawi, the Philippines, Nepal, Haiti, and Zambia. In addition, A.I.D.-funded research in Indonesia by the Johns Hopkins International Center for Epidemiologic and Preventive Opthalomology on the interrelationships between vitamin A status and respiratory diseases, diarrhea and mortality is being replicated in Bangladesh, the Philippines, India and Zambia.

The ongoing Consumption Analysis of Agricultural Policies project (931-1171) provides technical assistance and training to carry out studies on the effects of selected agricultural policies on food consumption patterns and nutritional status. The studies, which have been conducted in a number of countries, demonstrate that agricultural and other development policies often have important negative impacts on those groups likely to be at nutritional risk such as small farmers and landless laborers. The findings from completed studies have contributed to policy dialogs in many countries and may eventually result in significant policy changes. Future program activities will emphasize developing LDC capability to carry out these studies and analyses and the dissemination of reports and methodologies resulting from completed studies and other project activities.

Inappropriate weaning feeding practices, insufficient breastfeeding, and maternal malnutrition are among the chief causes of malnutrition for more than 100 million children between birth and five years of age. The Improvement of Maternal and Infant Diet project (931-1010) is a $20 million long-term effort to promote breastfeeding and good dietary practices among pregnant and nursing women and weaning-aged children.

Breastfeeding promotion remains a priority with new emphasis on research and interventions related to maternal nutrition. THe nutritional needs of weaning-aged children are being addressed through assessments of feeding practices in both healthy and diseased children. Interventions to improve those practices are underway in four countries. Dietary regimens for children with diarrhea have been developed and are being implemented and assessed. The proposed FY 1987 funding level is $1.575 million from the Health account. (In previous years, the project was funded from both the 103 and the Health accounts, depending on the nature of the activities supported by the project.)

Under the Nutrition and Food Technical Services project (931-0831) low-cost processed foods, including weaning foods, have been developed from indigenous commodities. These food have been included in some national food distribution programs as external food aid has been withdrawn. This project supports the in-country programs of private voluntary organizations, particularly in the area of vitamin A fortification and supplementation.

A private sector initiative, known as Project SUSTAIN, is being carried out under the Nutrition: Scientific, Technical Planning Support project (931-0262). Project SUSTAIN encourages U.S. food-processing companies to enter into technical assistance arrangements with developing country food-processing firms. Locally-owned companies in Latin America and the Caribbean, Asia and Africa have received assistance and training through this project in a variety of areas including equipment needs, quality control and packaging. This project (931-0262) also supports training in the use and management of home gardens in tropical and arid climates in collaboration with the Peace Corps.

A CRSP was developed to study the Functional Implications of Malnutrition (931-1309) because strategies to overcome nutritional problems through national policy channels are hampered by a lack of accurate knowledge about standard nutritional needs. It is essential to know how people in different places and circumstances react to the stress of marginal deficiencies in calories and nutrients. The first phase of this project established U.S. and host country collaborative research teams in Kenya, Egypt and Mexico. The first phase also developed research protocols and collected baseline data on the populations to be studied. During the experimental phase of the project (FY 1985) nutrition-related data was collected and analyzed to determine the impact of marginal deficiencies in calories and other nutrients on the ability to do physical and mental work, reproduce, and resist disease. Analysis will continue in FY 1986 with the final report expected in FY 1987.

III. RURAL AND INSTITUTIONAL DEVELOPMENT

The centrally funded Section 103 program in rural and institutional development is designed to increase productivity, incomes, and employment among rural families. During FY 1986 attention will focus on the key problems of increasing income an food production. The program will transfer, commercialize and replicate technologies; build and sustain development institutions; devise and implement appropriate policies; and organize and motivate people in the areas of employment and non-farm private enterprise development, natural resource management, and agricultural production support systems. The program results from agreement between LDCs and A.I.D. staff on problems that most seriously constrain rural development.

Inadequacy of services affecting agricultural production and farmer productivity, for example, limits growth in incomes among rural residents. Limitations in the access to, or quality of, productive resources have retarded the rate of growth of the small enterprise sector, thereby reducing opportunities in many countries for income generation through off-farm employment.

Two major projects in this program, carried out in collaboration with the agriculture and forestry programs, emphasize the integration of institutional and socio-economic research with biological and physical research. These are Water Management Synthesis II (936-4127) and Forestry/Fuelwood Research and Development (936-5547), described elsewhere in this narrative.

The rural and institutional development program funded under Section 103 was $10.9 million in FY 1985, is estimated at $7.465 million in FY 1986, and is proposed at $7.45 million in FY 1987.

A. Increasing Non-Farm Employment

A.I.D.'s Strategic Plan advocates expansion of the small-scale private enterprise sector. This sector is generally labor-intensive with low capital requirements per job and contributes actively to rural growth by providing services and inputs needed by farmers. Research is being undertaken to experiment with ways of expanding employment and production through small enterprise development. Current approaches include policy analysis, development of appropriate capital-saving technologies, entrepreneurship development, product improvement, market development, and increased use of the U.S. private sector in joint ventures with smaller LDC firms.

The Employment and Enterprise Policy Analysis project (936-5426), which began in FY 1984, is developing the research base and methods needed by developing country institutions to deal effective with employment generation as a policy issue. In FY 1987 the project will place long-term advisors in three countries (Bangladesh, Rwanda and Thailand) and expects to supply six short-term technical assistance teams to assist in the processes of host-country policy analysis, dialogue, and reform.

The Small Enterprise Approaches to Employment project (931-1090) focuses on (a) expanding the descriptive and analytical knowledge base concerning the dimensions of off-farm employment and the non-agricultural small-scale enterprise subsectors in developing countries, and (b) strengthening organizations which assist small-scale and micro-entrepreneurs, including rural entrepreneurs. An FY 1986 initiative will develop and test new training modules and institutional support mechanisms designed to strengthen the abilities of U.S. private voluntary organizations and host-country non-governmental organizations in six countries. The objective will be to provide credit and technical assistance to the ever-growing numbers of small-scale agribusinesses and rural and micro-entrepreneurs who cannot find employment in agriculture or the modern/large-scale sectors.

B. Improving Access to and Management of Natural Resources

This program includes three areas of activity: natural resource access, conservation, and management, emphasizing local participation; the design and development of a corresponding set of agricultural support institutions; and human settlement analysis, with focus on rural-urban dynamics. In many parts of the world, deforestation, erosion, and fuelwood shortages are major constraints to development. The Forestry/Fuelwood Research and Development project (936-5547) is launching a major program for selecting and improving tree species to help overcome this problem. The process of species selection for any specific region, however, is not only based on physical adaptability, but also requires an understanding of essential local uses for trees (food, fuel, fodder, shelter, and cultural value), and the economic and social incentives that motivate farmers to plant, nurture, harvest, and replant them. The project addresses these latter socio-economic concerns.

Inadequate management of fragile lands is among the most serious of agricultural problems and a primary factor contributing to the continued impoverishment of both farmers and non-farmers who depend on fragile lands for food. Fragile lands are steep slopes and humid tropical lowlands which are subject to deterioration under common use and practices. The Development Strategies for Fragile Lands project (936-5438), beginning in FY 1986, will be initiated in selected locations in Latin America and the Caribbean. Research on appropriate strategies for the use and conservation of fragile lands will be conducted and information networks established.

In this context, agricultural support institutions assume critical importance. In semi-arid areas of Africa, where the productive capacity of fragile land is deteriorating, not only are environmentally-sensitive technologies needed, but the existing agricultural support institutions will require modification if farmers are to adopt new practices. Research on the nature and structure of these support institutions is the focus of the Food Security in Africa project (931-1190), co-managed with the Africa Bureau. The Communications for Technology Transfer project (936-5826) seeks to develop communications techniques which can promote rapid adoption of new technology by farmers when the technologies are appropriate and the institutional setting is supportive. More exploratory work is also being tried out in conjunction with a number of other projects and bureau initiatives in order to determine what kinds of support institutions are needed to develop and transfer adapted technologies and to identify what minimal adjustments are needed in these organizations to induce more rapid farmer acceptance rates. The Experimental Approaches to Rural Savings project (936-5315) seeks ways to recognize, finance, and revitalize the financial sector and institutions which serve the rural areas. Project activities are underway in Bangladesh, the Dominican Republic, Niger, and the Philippines.

The Human Settlements and Natural Resource Systems Analysis project (931-1135) assists LDCs in (1) region-based natural resource assessment, (2) understanding the relationships between regional settlement systems and resource utilization, and (3) analyzing and managing rural-urban linkages and dynamics to promote the most beneficial use of resources. Research will also explore the factors associated with the widespread and disturbing phenomenon of a coincidence between rapid urbanization and lagging agriculture in many developing countries.

C. Improving Performance of Development Institutions

Institutions are the primary structures of society. Strong local institutions that generate and transfer improved technology, mobilize and allocate resources effectively, or manage services and investments well are particularly important to development. To ensure that development investments are sustainable, we need a better understanding of how institutions can be changed to function better.

The Local Revenue Generation and Administration project (936-5303) enables countries to strengthen their revenue systems to meet the recurrent costs of development programs. Research in the Philippines, Bangladesh, Peru, and Grenada has demonstrated that revenue systems can be improved substantially to alleviate recurrent cost problems.

D. Transfer, Commercialization and Replication of Appropriate Technology

Technologies for use by medium-scale, small and micro enterprises in rural and semi-urban areas in developing countries must be appropriate to the relative availabilities of capital and labor and the human and natural resource endowments of these areas if they are to be effective. The objective of the Appropriate Technology International (ATI) II project (936-5428) is to promote the transfer, commercialization and replication of appropriate technologies.

ATI's program has a strong bias towards the private sector and the market place. ATI carries out its program primarily through projects implemented by cooperating country non-governmental organizations working with medium-scale, small and micro enterprises. The primary objective of each ATI demonstration project is to prove the commercial viability of the technology through the use of that technology by small, profit-making enterprises. ATI has developed a novel small-scale industry development concept using venture capital companies. This concept is now being tested in Thailand, Indonesia and the Philippines. In areas of Africa where the promotion of small enterprise is particularly difficult, ATI is experimenting with the establishment of subsidiaries of cooperatives and community development organizations as profit-making enterprise units.

ATI plays a catalytic role in the appropriate technology process. It was established to respond flexibly and rapidly to situations where limited amounts of resources are needed to carry out innovative activities with a high payoff potential. ATI has recently embarked on an effort to promote the replication of the innovative elements of its successful demonstration projects.

IV. ENERGY

The centrally funded Section 103 program in energy provides technical support and research services to develop indigenous energy resources and to foster the most efficient use of these resources through policy reform, technology transfer, and LDC institutional development. Activities have been designed to undertake research in the priority areas of fuelwood and other biomass production and conversion, and in energy for agricultural purposes. The energy program funded under Section 103 was $3.3 million in

FY 1985, is estimated at $1.3 million in FY 1986, and is proposed at $2.7 million in FY 1987. This program is also funded from the Energy, PVO, and Selected Development Activities account (Section 106).

Because of the continuing financial burden of importing oil, the demand for biofuels (such as charcoal or firewood) continues to increase in many LDCs. There is also a trend toward use of biofuels of very low quality. This places the greatest stress on systems that are most critical for food production - the densely populated cereal grain lands. To ameliorate these conditions, the Tennessee Valley Authority provides technical experts through the Bioenergy Systems and Technology (BST) project (936-5709) for country bio-resource assessments and to design bio-resource energy production systems. Research is conducted on the productive use of forestry and agricultural products and wastes for energy production. For example, this project integrates forest management and energy supply objectives with rural development needs through a bilateral project in Costa Rica. The major objective of the project is to develop and demonstrate a reliable system to produce electricity from locally available wood for areas not connected to the electrical grid in order to promote rural development. The second objective is to develop and conduct research on systems for managing natural tropical forests. A third objective is to replace current consumption of imported oil with wood wastes produced from a sustainable forest resource.

Through the BST project a contract was signed with Independent Power of America, Inc.[4] for a gasification/spark engine/generator system which was delivered to Costa Rica in late FY 1985. This system will be fueled with wood chips produced from wastes of commercial forest activities. The sale of chips from non-commercial species to energy markets provides revenues which will support improved forest management. The project will also support specific activities of the Biomass User's Network which is encouraging bioenergy, forestry, and related agricultural activities among its LDC members.

A study of the technical and economic potential for large-scale electricity production from the Jamaican sugar cane industry was conducted by the BST project. The assessment focused on intensive cane cultivation practices, based largely on U.S. Department of Energy-sponsored "energy cane" research in Puerto Rico, improved sugar factory operations, and construction of a modern power plant linked to the national electricity grid. Results of the study indicate strong economic returns to Jamaica, considerable foreign exchange savings from reduced oil imports, and the potential to revitalize the country's largest agricultural industry. The approach is also being investigated in other countries, including Thailand, Honduras, and the Philippines.

Considering economies of scale, renewable energy (wind, solar and geothermal) can help to a substitute for imported fuel and traditional fuels. The Oak Ridge National Laboratory will provide LDCs with technical assistance, applied research, and training in renewable energy technologies under the Renewable Energy Applications and Training project (936-5730) which began late in FY 1985. This project is designed to assess applications of these technologies, identify those systems which offer economically viable options to meet energy needs, provide training, and encourage joint ventures between U.S. and local private industries to demonstrate, manufacture, market, and maintain these systems in LDCs. These activities will be directed toward strengthening LDC institutional capacity to make economically sound decisions about the use of renewable energy. Attention will also be given to renewable energy systems which can help countries increase agricultural productivity by reducing critical energy constraints.

V. FORESTRY AND NATURAL RESOURCES

The centrally funded Section 103 program in forestry and natural resources provides technical assistance; collaboration in the development of new or expanded LDC forestry projects; research and development in multi-purpose trees and agroforestry, with emphasis on fuelwood production and research; and demonstrations of the economic benefits of coastal resources planning and management. The program provides the long-term support necessary for building LDC institutional and scientific capacity to solve environmental and natural resources problems and to help conserve biological diversity. It also promotes environmentally sound economic development projects.

The forestry and natural resources program funded under Section 103 was $4.7 million in FY 1985, is estimated at $3.6 million in FY 1986, and is proposed at $4.8 million for FY 1987. This program is also funded from the Section 106 account.

The forestry support program funded by the Forest Resources Management project (936-5519) responds to more than 100 requests for technical advice each year and provides expert referral services to more than 40 LDCs on a continuing basis. It has assisted A.I.D. mission-funded forestry projects in the Dominican Republic, Ecuador, Central America, Pakistan, Bangladesh, and several African countries. The program was revised in FY 1985 to give increased emphasis to research, to the relationships between forestry and agriculture, and to opportunities for involvement of the indigenous private sector in forest-based economic development. Applied research, technical assistance, and demonstration activities were initiated as part of a new private forest enterprise initiative during 1985. Peace Corps collaboration in forestry was extended to include a focus on programming and training Peace Corps forestry volunteers for placement in P.L. 480 food projects where trees are being planted.

The Forestry/Fuelwood Research and Development project (936-5547) began late in FY 1985. The project will support basic and applied forestry/fuelwood research and establish networks to improve the effectiveness of research on multi-purpose trees to increase LDC production of forestry goods and services. Research will focus on fuelwood production and will include multi-purpose trees species assessment, improvement, and management. The project will also look at social science issues such as economic incentives, land tenure, and local participation. Network activities will begin in Asia, but research programs will be carried out worldwide as well, with later phases to support research networking in Africa and Latin America. The program is supporting the development of the Agency's action plan for the conservation of biological diversity and providing support to strengthen tropical forestry activities.

The Coastal Resources Management project (936-5518) began pilot programs in Ecuador and Sri Lanka in FY 1985 to demonstrate the economic benefits of coastal resources planning and management. The demonstrations will support A.I.D.'s policy to help LDCs protect their environment and manage their natural resources.

VI. RESEARCH AND UNIVERSITY RELATIONS

Universities are the primary source of new science and technology relevant to development and are the institutional instruments available to A.I.D. for conveying this knowledge to the LDCs -- both through participant training programs in the U.S. and through research and technical assistance operations abroad. Title XII 1/ of the Foreign Assistance Act provides for a close working relationship between A.I.D. and U.S. agricultural universities so that these institutions can be more effectively involved in the relief of world hunger. The strengthening of U.S. universities to address this responsibility and the corollary institution building effort overseas to enable LDC universities to play a larger role in development are principal objectives of A.I.D.'s strategic plan.

The centrally funded Section 103 program in research and university relations is designed to mobilize the science and technology expertise that is needed to assist LDC development efforts. This program supports projects which improve the ability of U.S. universities and other scientific institutions to participate in A.I.D.'s development assistance efforts. Specifically, this encompasses: (1) strengthening the institutional and human resource capabilities of U.S. universities; (2) providing key top level scientific and professional support to LDCs; (3) increasing the involvement of historically Black colleges and universities; (4) providing assistance to research policy, engaging input from U.S. universities and the private sector; and (5) assisting in maintaining quality control over central A.I.D. research investments.

1/ See Main Volume for a detailed description of A.I.D.'s Title XII program.

The research and university relations program funded under Section 103 was $7.3 million in FY 1985, is estimated at $5.3 million in FY 1986, and is proposed at $5.5 million in FY 1987. (This program is also supported by the Health account. $2.5 million was obligated in FY 1985; $3 million is estimated for FY 1986; and $3 million is planned for FY 1987.)

A. Memorandum of Understanding/Program Support Grants with U.S. Universities (MOU/PSG)

The MOU/PSG project (931-1282) funds long-term professional support from universities for overseas technical assistance to A.I.D. projects and for the conduct of other activities directed toward sustaining and upgrading university performance capabilities to fulfill the objectives of Title XII. A.I.D. funds are augmented by the university with non-federal contributions. The MOU/PSG program, a follow-on activity to the strengthening grant program, is designed to carry out specific fields of work for A.I.D. The proposed FY 1987 funding level is $4.8 million.

B. The Research Program for Historically Black Colleges and Universities

Among historically Black colleges and universities (HBCUs), there is considerable scientific and technical talent which has been untapped for development activities. The HBCU research program (936-5053) was established to take advantage of the strong interest of HBCU institutions in development assistance activities. This research program is part of a larger A.I.D. effort to find ways to increase participation of HBCUs in the programs in the Federal Government. These research projects allow HBCUs to participate effectively in A.I.D.'s program, including those which may not be able to commit large personnel or financial resources to international work. The scientists at the U.S. HBCUs are encouraged to collaborate with LDC institutions when implementing the research. LDCs will then be able to identify some of the outstanding research leaders on HBCU campuses as a necessary step toward getting HBCUs more involved in those program areas in which the institutions are strongest. Under this program to date, grants have been awarded for research in agriculture, health, and nutrition.

Research topics include the utilization of crop residues to improve goat productivity in Haiti, nitrogen fixation in Jamaica, small farm management practices in Kenya, and a feasibility study of aquaculture in the Dominican Republican. The proposed FY 1987 funding level from Section 103 is $.450 million.

VII. FOOD AID

Food deficits in many developing countries are large and projected to get larger in contrast to global food prospects which are currently adequate. Efforts to increase food production and mechanisms to improve distribution and marketing are critical to assure that direct feeding programs do not create a dependency on PL 480 foods. In addition to improving the efficiency of food production, it is essential to increase the overall impact of food aid programs through much greater emphasis on their developmental aspects.

A.I.D.'s Development Assistance-financed Food for Peace support program [2] is an essential element in making more effective use of food aid. The ongoing P.L. 480 Title II Outreach (938-0703) project provides grants to help voluntary agencies improve the targeting and development impact of Title II Outreach food programs by assisting with transportation, storage, distribution, and administrative costs of these programs. The project also provides limited, non-logistic items to enrich voluntary agency Title II programs, such as scales, health services equipment, short-term training, small tools and equipment. The ongoing Program Support and Management project (938-0700) makes available a variety of management resources to improve program planning and implementation. Local and regional seminars are sponsored to train host country, PVO and other participants in improved food handling and storage. Technical advisory services are provided to address particular problems as they arise overseas.

In FY 1987 A.I.D. will support two ongoing activities designed to improve food data needs assessment and further enhance the development impact of Title II programs. The Food Data Needs Assessment project (938-0702) responds to the need for better programming information especially with respect to the extraordinary food needs in Africa. Its goal is to improve collection and analysis of food sector data in drought-prone African countries, as ell as in other regions where emergency assistance may be required, in order to make more accurate and timely estimates of food aid needs. The Title II Enhancement project (938-0703) will assist at least three Title II voluntary agency sponsors in developing their own capability to design, manage, implement and evaluate innovative and cost-effective supplementary feeding programs. The project's objective is to demonstrate that food aid, when combined with other developmental activities, can have an important development impact.

2/ See Main Volume for detailed PL 480 Narrative

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
BUREAU FOR SCIENCE AND TECHNOLOGY												
OFFICE OF AGRICULTURE												
INTL FERTILIZER DEVELOPMENT CENTER	G	931-0054	75	C	---	---	48,700	45,700	4,000	4,000	4,000	4,000
AGRICULTURAL PLANNING AND SUPPORT	G	931-0060	77	C	---	---	5,460	4,547	---	465	---	---
SEED PROGRAM AND INDUSTRY DEVELOPMENT	G	931-0203	58	84	4,145	4,134	4,134	4,059	---	75	---	---
FISHERIES-AQUACULTURE TECH. ASST.	G	931-0242	76	C	---	---	2,107	1,947	190	190	240	190
BIO-TECHNOLOGY LIMITING FACTORS	G	931-0610	76	88	7,000	11,200	5,250	4,600	320	320	320	300
N-FIXATION - SYMBIOTIC TROPICAL LEGUMES	G	931-0613	75	88	11,300	11,300	9,030	7,505	650	650	1,000	800
SPRING X WINTER WHEAT	G	931-0621	76	89	3,645	5,112	3,645	3,384	400	400	400	400
ICLARM-FISHERIES DEVELOPMENT	G	931-1050	79	C	---	---	1,740	1,740	---	---	---	---
SOIL MANAGEMENT SUPPORT SERVICE	G	931-1229	79	C	---	---	5,967	5,192	1,000	1,000	900	1,000
CRSP: SORGHUM/MILLET	G	931-1254	79	C	---	---	22,437	19,152	2,220	3,000	2,800	3,050
CRSP: BEANS AND COWPEAS	G	931-1310	80	C	---	---	16,700	13,316	2,600	2,950	2,800	3,000
CRSP-PROGRAM: SOILS MANAGEMENT	G	931-1311	81	C	---	---	10,450	7,898	2,600	2,280	2,500	2,400
AQUACULTURE TECHNOLOGY DEVELOPMENT	G	931-1314	75	C	---	---	2,976	2,842	310	270	345	300
STORAGE AND PROCSSS OF FRUITS AND VEGS	G	931-1323	80	90	5,475	5,610	2,265	2,000	400	360	400	360
CRSP-PROGRAM: SMALL RUMINANTS	G	931-1328	78	C	---	---	25,932	21,110	2,580	3,100	2,500	3,200
TECHNOLOGY OF SOIL MOISTURE MANAGEMENT	G	936-4021	81	C	---	---	1,785	1,300	700	700	600	650

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*Refers to the planned project summary sheet

G Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
CRSP - POND DYNAMICS	G	936-4023	82	C	---	---	3,250	2,126	1,040	1,040	1,040	1,040
FISHERIES DEVELOPMENT SUPPORT SERVICES	G	936-4024	82	C	---	---	385	735	300	300	300	240
CRSP - PEANUTS	G	936-4048	82	C	---	---	4,379	3,379	2,400	2,400	2,400	2,400
INTERNATIONAL BENCHMARK SITES NETWORK	G	936-4054	82	90	9,930	9,930	3,500	1,350	400	1,000	815	1,000
HOST RESISTANCE INTEGRATED TICK CONT.	G	936-4083	83	88	1,450	1,450	850	580	300	300	300	300
AGRICULTURAL PLANNING AND POLICY ANALYSI	G	936-4084	93	88	9,200	7,370	2,995	2,995	1,400	1,050	920	1,250
FARMING SYSTEMS SUPPORT	G	936-4099	82	87	9,953	7,958	5,342	3,317	720	1,445	540	550
AGRICULTURAL TECHNOLOGY RES + DEVELOPMEN	G	936-4109	81	C	---	---	4,109	2,968	1,200	1,000	1,500	1,600
INT AGRICULTURAL RESEARCH CENTERS	G	936-4111	68	C	---	---	3,286	709	1,950	1,950	1,950	1,950
POST HARVEST RODENT AND BIRD CONTROL	G	936-4120	83	92	12,835	4,215	1,626	1,455	---	169	---	---
WATER MGT SYNTHESIS II	G	936-4127	82	86	20,000	12,500	10,191	7,946	800	2,000	1,500	1,200
SOYBEAN UTILIZATION AND RESEARCH	G	936-4132	85	89	5,950	5,950	850	75	695	500	695	500
SPECIAL CONSTRAINT RESEARCH	G	936-4136	85	89	4,200	4,200	316	26	700	900	700	750
BIOTECHNOLOGY TISSUE CULTURE	G	936-4137	84	C	---	---	2,194	516	300	1,000	990	800
IPM AND ENVIRON PROT INCL BIO-CONTROL	G	936-4142	85	89	5,800	6,000	950	---	---	775	635	775
R+D OF IMP SEED PROD/UTILIZATION IN LDCS	G	936-4143	86	92	3,420	4,000	---	---	360	300	270	300
POSTHARVEST GRAIN SYS/AGRIBUSINESS R+D	G	936-4144	85	89	3,265	5,500	600	---	---	600	500	500
CRSP: FISHERIES/STOCK ASSESSMENT RSCH	G	936-4146	85	C	---	---	500	100	800	750	800	800

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TECHNOLOGY TRANS FEEDBACK SYS IN AGRIC	G 936-4145	84	88	1,732	1,732	768	410	25	240	---	143
CROP NEMATODE RESEARCH AND CONTROL	G 936-4149	84	84	1,000	1,000	1,000	506	---	330	---	164
REPRODUCTIVE STUDIES ON MILKFISH	G 936-4161	84	84	1,250	1,250	1,250	444	---	625	---	181
VERTEBRATE PEST MANAGEMENT SYSTEMS R&D	G 936-4173	86	90	2,445	2,445	---	---	340	340	340	300
IMP PLANT/ANIMAL TOLERANCE TO STRESS	G 936-4176	86	95	---	39,830	---	---	1,300	500	1,300	1,850
TOTAL FOR PROGRAM				123,885	152,586	216,207	175,129	33,000	39,274	36,300	38,243
GRANTS				123,885	152,586	216,207	175,129	33,000	39,274	36,300	38,243
LOANS				---	---	---	---	---	---	---	---
OFFICE OF NUTRITION											
NUTRITION: VITAMIN A DEFICIENCY PRG SPPT	G 931-0045	75	89	9,965	12,936	7,537	4,361	5,000	3,250	---	5,000
NUTRITION: IRON DEFICIENCY PRG SUPPORT	G 931-0227	76	89	3,933	4,600	2,382	2,215	---	167	---	---
NUTRITION: SCIENTIFIC/TECH/PLNG SUPPORT	G 931-0262	76	C	---	---	4,484	3,692	683	960	800	1,006
NUTRITION AND FOOD TECHNICAL SERVICES	G 931-0931	69	C	---	---	9,381	9,130	500	670	550	600
NUTRITION: IMPRV OF MATERNAL/INFANT DIET	G 931-1010	79	86	5,750	5,750	4,601	2,879	---	785	---	937
NUTRITION: SURVEYS AND SURVEILLANCE	G 931-1064	77	87	6,885	6,885	4,433	3,584	---	849	---	---
NUTRITION: EDUCATION FIELD SUPPORT	G 931-1065	79	85	2,191	3,138	2,188	1,970	450	375	225	285
NUT:CONSUMPTION ANALY OF AG POL.	G 931-1171	77	C	---	---	3,389	2,872	500	768	675	889
NUTRITION: CONSUMPTION EFFECTS OF AG POL	G 931-1274	80	85	2,800	2,055	2,043	1,916	---	127	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
FUNCTIONAL IMPLICATION-MALNUTRITION CRSP		G	931-1309	81	87	11,800	12,450	10,285	7,850	1,242	1,600	450	273
TOTAL FOR PROGRAM						43,324	47,714	51,023	40,469	8,375	9,531	2,700	8,990
GRANTS						43,324	47,714	51,023	40,469	3,375	9,531	2,700	8,990
LOANS						---	---	---	---	---	---	---	---
OFFICE OF EDUCATION													
COMMUNICATION FOR CHILD SURVIVAL		G	931-1018	78	93	1,400	1,400	1,200	50	---	210	---	500
COMMUNICATION FOR TECH TRANSFER IN AGR.		G	936-5826	85	85	250	250	250	---	---	250	---	---
TOTAL FOR PROGRAM						1,650	1,650	1,450	50	---	460	---	500
GRANTS						1,650	1,650	1,450	50	---	460	---	500
LOANS						---	---	---	---	---	---	---	---
RURAL AND INSTITUTIONAL DEVELOPMENT													
SMALL ENTERPRISE APPROCHES TO EMPLOYMENT		G	931-1090	78	90	1,475	1,475	---	---	390	250	295	250
FIELD SERVICES AND PROGRAM DEVELOPMENT		G	931-1096	77	C	---	---	6,317	5,827	595	500	500	400
AGROINDUSTRIAL RESEARCH DEVELOPMENT		G	931-1121	79	85	1,095	1,095	1,095	1,010	---	85	---	---
HUMAN SETTLEMENTS AND NAT RES SYS ANALY		G	931-1135	78	88	5,344	5,475	4,625	3,625	450	780	400	780
FOOD SECURITY IN AFRICA		G	931-1190	77	87	3,615	3,587	3,587	2,287	---	600	---	700
MARKET AND TECHNOLOGY ACCESS		G	936-4053	83	88	2,375	4,220	1,350	800	540	700	450	650
WATER MGT SYNTHESIS II		G	936-4127	82	87	2,600	2,733	1,200	645	335	700	350	500
RSCH ON ACCESS TO LAND/WATER/NATURAL RES		G	936-5301	79	88	5,290	5,370	4,396	3,608	444	694	530	600
LOCAL REVENUE GENERATION & ADMINISTRATIO		G	936-5303.01	79	87	3,415	7,285	2,735	2,635	100	150	370	222

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SMALL FARMER MARKETING ACCESS	G	936-5313	81	89	2,460	,227	1,487	1,450	220	90	350	300
RSCH ON ENTREPRENEURSHIP ID AND DEVELOPM	G	936-5314	83	85	950	891	891	689	---	202	---	---
EXP. APPROACHES TO RURAL SAVINGS	G	936-5315	82	87	2,116	2,310	1,855	1,150	150	140	305	300
PERFORMANCE MANAGEMENT	G	936-5317	82	89	2,343	2,343	1,496	622	316	600	618	500
EMPLOYMENT AND ENTERPRISE POLICY ANALYSI	G	936-5426	84	89	1,250	1,250	171	171	355	150	205	250
APPROPRIATE TECHNOLOGY INTERNATIONAL II	G	936-5428	83	88	18,000	24,000	13,329	7,427	2,280	4,193	2,070	4,000
RURAL DEVELOPMENT RESEARCH INITIATIVE	G	936-5433	84	88	1,100	642	385	242	---	143	---	---
DEVEL. STRATEGIES FOR FRAGILE LANDS	G	936-5438	86	95	---	6,100	---	---	420	250	500	400
FORESTRY FUELWOOD RESEARCH & DEVELOPMENT	G	936-5547.01	85	91	2,800	2,800	---	---	560	400	300	300
COMM FOR TECHNOLOGY TRANSFER IN AGRIC	G	936-5814.50	85	85	272	750	272	---	310	200	207	200
TOTAL FOR PROGRAM					57,000	77,053	45,191	32,188	7,465	10,827	7,450	10,352
GRANTS					57,000	77,053	45,191	32,188	7,465	10,827	7,450	10,352
LOANS					---	---	---	---	---	---	---	---
OFFICE OF ENERGY												
LOW COST ENERGY TECHNOLOGY	G	936-5701	79	85	4,325	4,886	3,925	3,650	---	275	---	---
BIO ENERGY SYSTEMS AND TECHNOLOGY	G	936-5709 01	79	86	8,100	8,196	6,222	5,191	900	1,680	1,100	1,250
SMALL DECENTRALIZED HYDROPOWER (PVO)	G	936-5715	80	86	5,500	4,446	4,451	3,944	---	502	---	---
ENERGY POLICY DEV AND CONSERVATION	G	936-5728	82	87	400	2,000	400	400	---	---	600	285

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(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

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RENEWABLE ENERGY APPLICATION/TRAINING	G 936-5730	85	90	8,200	11,000	1,074	---	400	1,250	600	700
CONVENTIONAL ENERGY TRAINING	G 936-9997	81	86	---	650	---	---	---	---	400	275
TOTAL FOR PROGRAM				26,525	31,178	16,072	13,185	1,300	3,707	2,700	2,510
GRANTS				26,525	31,178	16,072	13,185	1,300	3,707	2,700	2,510
LOANS				---	---	---	---	---	---	---	---
OFFICE OF FORESTRY AND ENVR NAT RES											
ENVIRONMENTAL PLANNING AND MANAGEMENT	G 936-5517	82	90	550	600	500	250	---	---	100	75
COASTAL RESOURCES MANAGEMENT	G 936-5518	83	89	8,000	8,000	1,706	325	650	750	850	900
FOREST RESOURCES MANAGEMENT	G 936-5519	80	89	19,800	30,000	6,782	6,097	975	1,524	1,300	1,435
FORESTRY FUELWOOD RES. AND DEVEL.	G 936-5547	85	94	30,000	30,000	1,742	25	1,770	2,500	2,000	2,500
NATURAL RESOURCES RESEARCH AND TRAINING	G 936-5550	86	87	---	800	---	---	250	200	550	350
TOTAL FOR PROGRAM				58,350	69,400	10,730	6,697	3,645	4,974	4,800	5,260
GRANTS				58,350	69,400	10,730	6,697	3,645	4,974	4,800	5,260
LOANS				---	---	---	---	---	---	---	---
OFICE OF RESEARCH AND UNIVERSITY RELATIO											
TITLE XII STRENGTHENING GRANTS	G 931-1282	79	C	---	---	36,555	30,428	5,065	4,312	4,800	4,560
HBCU RESEARCH GRANTS	G 936-5053	84	C	---	---	1,809	819	95	90	450	427
TECHNICAL ADVISORY SUPPORT SERVICES	G 936-5055	85	89	2,133	2,133	796	---	100	95	250	238
TOTAL FOR PROGRAM				2,133	2,133	39,163	31,247	5,260	4,997	5,500	5,225
GRANTS				2,133	2,133	39,163	31,247	5,260	4,997	5,500	5,225
LOANS				---	---	---	---	---	---	---	---

PROGRAM OFFICE

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
PROGRAM DEVELOPMENT AND SUPPORT	G 936-1406	72	C	---	---	3,031	2,480	700	700	1,000	700
INFORMATION TRANSFER	G 936-5054	85	89	3,300	3,300	700	---	800	700	700	600
TOTAL FOR PROGRAM				3,300	3,300	3,781	2,480	1,500	1,400	1,700	1,300
GRANTS				3,300	3,300	3,781	2,480	1,500	1,400	1,700	1,300
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				316,167	385,014	383,617	301,445	60,545	75,170	61,150	72,380
GRANTS				316,167	385,014	383,617	301,445	60,545	75,170	61,150	72,380
LOANS				---	---	---	---	---	---	---	---
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
TITLE II ENHANCEMENT	G 938-0701	85	87	---	5,600	1,821	---	---	---	---	---
AFR FOOD NEEDS ASSESSMENT	G 938-0702	85	88	---	4,500	1,302	57	---	---	---	---
TITLE II OUTREACH	G 938-0703	85	C	---	---	4,460	831	---	---	---	---
TOTAL FOR PROGRAM				---	10,100	7,593	888	---	---	---	---
GRANTS				---	10,100	7,593	888	---	---	---	---
LOANS				---	---	---	---	---	---	---	---
FOOD FOR PEACE											
TITLE II OUTREACH	G 904-0005	78	84	20,172	20,172	20,172	18,747	---	1,425	---	---
SURPLUS DAIRY PROGRAM	G 938-X7X1	86	86	---	2,795	---	---	2,785	500	---	1,000
FOOD FOR PEACE PROGRAM MGMT	G 938-0700	80	C	---	2,753	2,239	1,905	350	360	350	400
TITLE II ENHANCEMENT	G 938-0701	85	87	5,600	4,521	---	---	1,400	1,700	1,400	2,000
AFR FOOD NEEDS ASSESSMENT	G 938-0702	85	88	4,500	4,500	---	---	---	1,000	400	300
TITLE II OUTREACH	G 938-0703	85	86	8,728	9,460	---	---	4,500	4,700	---	2,774
TITLE II OUTREACH	G 938-0704	87	C	---	15,000	---	---	---	---	4,500	1,000

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PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR PROGRAM					39,000	59,191	22,411	20,652	9,035	9,685	6,650	7,474
GRANTS					39,000	59,191	22,411	20,652	9,035	9,685	6,650	7,474
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					39,000	69,291	29,994	21,540	9,035	9,685	6,650	7,474
GRANTS					39,000	69,291	29,994	21,540	9,035	9,685	6,650	7,474
LOANS					---	---	---	---	---	---	---	---
BUR. FOR PROGRAM AND POLICY COORDINATION												
SOCIO-ECONOMIC STUDIES AND ACTIVITIES	G	930-0322	80	C	---	---	2,519	1,716	710	505	1,175	800
WID STRATEGIES AND RESOURCES	G	930-0100	80	C	---	---	3,700	3,023	300	300	1,200	900
INFORMATION AS A TOOL IN DEVELOPMENT	G	930-0232	76	C	---	---	1,200	770	1,360	1,537	1,570	1,200
AG INFORMATION AND RELATED SERVICES	G	930-0264	74	C	---	---	5,222	5,212	240	205	255	200
PEACE CORPS	G	930-0600	85	C	---	---	---	---	440	400	1,200	1,300
INT AGRICULTURAL RESEARCH CENTERS	G	936-4111.	68	C	---	---	343,038	332,743	46,250	46,250	46,250	46,250
TOTAL FOR PROGRAM					---	---	355,679	343,469	49,300	49,197	51,650	50,350
GRANTS					---	---	355,679	343,469	49,300	49,197	51,650	50,350
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					---	---	355,679	343,469	49,300	49,197	51,650	50,350
GRANTS					---	---	355,679	343,469	49,300	49,197	51,650	50,350
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT					355,167	454,305	769,290	666,454	118,890	134,052	119,450	130,204
GRANTS					355,167	454,305	769,290	666,454	118,890	134,052	119,450	130,204
LOANS					---	---	---	---	---	---	---	---

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CENTRALLY FUNDED
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION PROJECTS

Office of Agriculture

931-0054 International Fertilizer Development Center - Conducts research and provides technical assistance and training on programmed release nitrogen and non-conventional phosphates to develop energy efficient fertilizers.

931-0060 Agricultural Planning and Support - Provides technical and scientific advice on food and agricultural policy for project design, evaluations, special studies, country development strategy statements and agricultural sector analyses.

931-0203 Seed Program and Industry Development - Provides technical assistance and training in all phases of seed technology to assist less developed countries build modern seed production industries which will help farmers increase food production.

931-0242 Fisheries and Aquaculture Technology Assistance - Provides assistance in fishery resource management to increase the harvest from marine and captured fish.

931-0610 Biotechnology - Limiting Factors for BNF - Conducts research and provides assistance on the use of nitrogen-capturing crops which do not require expensive fertilizers.

931-0613 Nitrogen-Fixation Symbiotic - Conducts research and provides assistance on the use of nitrogen-capturing tropical legumes which do not require expensive fertilizers.

931-0621 Spring and Winter Wheat - Conducts research and provides technical assistance and training to increase the production of wheat in less favorable environments.

931-1229 Soils Management Support Services - Conducts research and provides technical assistance and training on soil resource management in order to increase agricultural production.

931-1254 CRSP - Sorghum/Millet - Collaborative research program among U.S. and less developed country scientists and institutions to increase the production and utilization of sorghum and millet in the less developed countries.

931-1310 CRSP - Beans and Cowpeas - Collaborative research program among U.S. and less developed country scientists and institutions to increase the production and utilization of beans and cowpeas in the less developed countries.

931-1311 CRSP - Soil Management - Collaborative research program among U.S. and less developed country scientists and institutions to increase the productivity of tropical soils.

931-1314 Aquaculture Technology Development - Conducts research and provides assistance and training on the improvement of freshwater aquaculture management systems to increase fish production in man-made ponds and surface waterways in less developed countries.

931-1323 Storage/Processing of Fruits/Vegetables - Conducts research and provides assistance and training on the reduction of postharvest losses of roots, tubers, fruits, vegetables and spices.

931-1328 CRSP - Small Ruminants - Collaborative research program among U.S. and less developed country scientists and institutions to increase yields of meat, milk and fiber from sheep and goats.

936-4021 Technology of Soil Moisture Management - Conducts research and provides assistance and training on less developed country soil moisture problems in order to improve soil and water management systems and increase crop production.

936-4023 CRSP - Aquaculture Pond Dynamics - Collaborative research program among U.S. and less developed country scientists and institutions to increase the production of fish through fish farming.

936-4024 Fishery Development Support - Provides assistance and training to increase the quantity, quality and variety of marine fish available for human consumption and to increase income and employment of less developed country small-scale fishermen.

936-4048 CRSP - Peanuts - Collaborative research program among U.S. and less developed country scientists and institutions to increase the production and utilization of peanuts in the less developed countries.

936-4054 International Benchmark Sites Network - Conducts research and provides technical assistance and training in the collection and disseminating of soil/crop/climate information to less developed countries.

936-4083 Host Resistance - Integrated Tick Control - Conducts research to make cattle resistant to tick infestation and eradicate East Coast Fever - an acute disease of cattle in East, Central and South Africa.

936-4084 Agricultural Planning and Policy Analysis - Provides technical assistance and training to less developed country decision makers to provide a better understanding of key policy issues and constraints affecting agricultural and rural development.

936-4099 Farming Systems Support - Provides assistance and training on farming systems research and extension in order to increase the efficiency of small, less developed country farms.

936-4109 Agricultural Technology Research and Development - Provides scientific and technical assistance to less developed countries on crop production, utilization and technology transfer, livestock production, health and management, pest and pesticide management, and germplasm and experimental testing of seeds, plant parts and rhizobium species so that less developed country research may be carried out.

936-4111 International Agricultural Research Centers - An international agricultural research network to supply scientific and technical methodologies to the less developed countries to expand food production.

936-4120 Pre-Postharvest Rodent and Bird Control R&D - Conducts research and provides technical assistance and training to reduce crop losses due to rodent and bird damage.

936-4127 Water Management Synthesis II - Provides technical assistance and training on irrigation systems performance so that less developed countries may more efficiently and economically use their water.

936-4132 International Soybean Research Network - Conducts research and provides technical assistance and training in order to increase soybean production.

936-4136 Collaborative Research (IARCs) Program - Conducts research on scientific or technological problems which have been identified as impeding progress in the overall program of the international agriculture research centers.

936-4137 Biotechnology Research and Development - Conducts biotechnical and molecular genetic research to produce better strains of crops and breeds of animal stock.

936-4142 IPM and Environmental Protection - Provides assistance to less developed countries in pest and pesticide management.

936-4143 R & D of Improved Seed Production/Marketing Systems in LDCs - Provides technical backstopping to less developed countries in research planning for improved public and private seed sector development.

936-4144 Postharvest Grain Systems/Agribusiness R&D - Provides technical assistance to developing country institutions in designing, implementing and monitoring multidisciplinary research programs that are intended to improve postharvest grain systems and related agribusiness problems.

936-4146 CRSP - Fisheries Stock Assessment Research - Collaborative research program among U.S. and less developed country scientists and institutions to develop and refine fishery management and harvest practices in coastal areas of less developed countries.

936-4148 Technology Development, Transfer, Feedback System - Conducts research and provides technical assistance and training in agricultural communications, education, extension administration, library and information science, rural sociology and agricultural economics.

936-4149 Crop Nematode Research and Control - Conducts research and provides assistance on the control of plant-parasitic nematodes.

936-4161 Reproductive Studies on Milkfish - Examines the reproduction and maturation processes of milkfish in order to spawn and raise this fish in captivity. Collaborative research and training will be carried out with LDC institutions.

936-4173 Vertebrate Pest Management Systems R&D - Conducts research, technology transfer, and networking to strengthen LDCs' capability to control and manage vertebrate pests so that pre- and postharvest losses can be reduced.

936-4176 Improved Plant and Animal Tolerance to Stress through Biotechnology - By using the new biotechnology techniques conducts research to increase crop and livestock resistance to disease and environmental stresses, through products, such as animal vaccines and improved plan genetic materials. Collaboration with developing country scientists in these research efforts will strengthen the capacity of LDCs in biotechnology.

Office of Nutrition

931-0045 Nutrition: Vitamin A Deficiency Program Support - Assists developing countries to implement programs for the prevention of nutritional blindness in children.

931-0227 Nutrition: Iron Deficiency Program Support - Assists developing countries to design and implement programs for alleviating iron deficiency anemia.

931-0262 Nutrition: Scientific, Technical and Planning Support - Strengthens host government capability to plan, design, implement, and evaluate nutrition activities in order to improve basic nutrition.

931-0831 Nutrition and Food Technical Services - Utilizes food technology and related disciplines to develop and introduce low-cost, nutritious foods, which will help improve the nutritional status of low-income people in the developing countries.

931-1010 Improvement of Maternal and Infant Diet - Assists developing countries in designing, testing and implementing programs to promote breastfeeding, improve weaning and practices and good diet among pregnant and nursing women.

931-1064 Nutrition: Surveys and Surveillance - Develops appropriate methodologies in order to assist developing countries design and implement nutrition surveys and nutritional surveillance systems.

931-1065 Nutrition: Education Field Support - Improves the nutritional status of malnourished people in developing countries through more effective nutrition education.

931-1171 Nutrition: Consumption Analysis of Agricultural Policies - Encourages less developed countries to develop national agricultural policy analysis and planning systems that are conducive to improved national levels of consumption and nutrition by assisting them to integrate nutrition concerns into agriculture plans, policies and programs, and economic concerns into nutrition programs.

931-1274 Nutrition: Consumption Effects of Agricultural Policies - Encourages developing countries to develop national agricultural policy and planning systems that will improve consumption and nutrition.

931-1309 Functional Implications of Malnutrition (CRSP) - Conducts research to determine the effect that various levels of food intake have on basic human functions such as disease resistance, reproduction, work performance, cognitive development and social competence.

Office of Rural and Institutional Development

931-1090 Small Enterprise Approaches to Employment - Identifies approaches and designs programs to improve employment opportunities, productivity and enterprise viability in the non-farm, small enterprise sector.

931-1096 Field Services and Program Development - Provides short and long term assistance to less developed countries for program conceptualization, design, management and evaluation in the fields of rural development, development administration and institutional development.

931-1121 Agroindustrial Research and Development - Utilizes managerial, technical and analytical expertise from developed country enterprises to promote development of agribusiness and agroindustrial sectors in developing countries .

931-1135 Human Settlements and Natural Resource System Analysis - Conducts research on 1) natural resource analysis and management, 2) new lands settlement and resettlement, and 3) the regional and rural impact of urban centers.

931-1190 Food Security in Africa - Assists African policy makers to develop short and mid-term solutions to food production, supply and consumption problems.

936-4053 Market and Technology Access - Helps non-agricultural less developed country business enterprises increase productivity and employment by improving their access to new technologies and markets.

936-4127 Water Management Synthesis II - Assists less developed countries increase their capabilities to achieve better allocation, distribution and use of irrigation water in order to increase agriculture production and provide higher farming income.

936-5301 Research on Access to Land, Water and Natural Resources - Assists less developed country governments address problems of access by the rural poor to land and water resources by providing short-term consulting, applied research, training, and information dissemination.

936-5303 Local Revenue Generation and Administration - Stimulates the self-help capabilities of less developed countries by analyzing and improving their local and national revenue systems.

936-5313 Small Farmer Marketing Access - Studies marketing systems in order to make recommendations on the design, implementation and evaluation of marketing programs that will increase the productivity and income of small farmer families.

936-5314 Ressearch on Enterpreneur Identification and Development - Develops and field tests new approaches to increasing the success of entrepreneurial performance.

936-5315 Expanded Approaches to Rural Savings - Enables rural financial institutions to become financially viable and self-sustaining by mobilizing rural private savings and improving access to financial capital by rural borrowers.

936-5317 Performance Management - Provides management training to improve organizational performance and strengthen local management training and consulting institutions.

936-5426 Employment and Enterprise Policy Analysis - Provides analytical inputs into the process of employment and industrial policy reform to eliminate policy biases against labor-intensive-production and smaller enterprises.

936-5428 Appropriate Technology International II - Increases the standard of living of the poor in developing countries primarily through facilitating the choice, development, transfer, adaptation, commercialization/dissemination and assessment of technologies appropriate to conditions in developing countries, particularly those facing the poor and small enterprises.

936-5433 Rural Development Research Initiatives - Identifies social science knowledge gaps and research needs important for rural development. Conducts research to fill gaps or examine an idea which may later justify a separate project.

936-5438 Development Strategies for Fragile Lands - Helps less developed countries address development problems on fragile lands (steep slopes and lowland humid tropics) by conducting and promoting research on appropriate strategies and establishing information sharing networks.

936-5547 Forestry Fuelwood Research and Development - Promotes research and development efforts and networks to improve production of fuelwood, forestry goods and services, sound forestry management and agroforestry through long term forestry and related social science research.

936-5826 Communication For Technology Transfer In Agriculture - Develops and tests instructional systems for transferring agricultural technology. Systems are based on information exchange among farmers, researchers, extension workers and on the integration of mass media with farmer contact systems.

Office of Energy

936-5701 Low Cost Energy Technology - Provides technical information and does research in woodstove technology to improve less developed country utilization of fuel efficient stoves and other small-scale, low-cost appropriate energy technology.

936-5709 Bioenergy Systems and Technology - To increase the availability of energy from existing biological origin resources. Technical assistance is provided for the design of research activities, less developed country bioresource assessments, and bioresource production and conversion systems.

936-5715 Small Decentralized Hydropower - Assists less developed country governments understand the potential of decentralized hydropower as an energy substitute for electricity generated from imported petroleum.

936-5728 Energy Policy Development and Conservation - Assists less developed countries develop institutions, personnel and processes capable of effective energy policy-making; provides assistance for the design of specific policies, programs and investments needed to relieve energy problems and to achieve improvements in the efficiency of energy use.

936-5730 Renewable Energy Applications and Training - Assists developing countries in using their renewable resources (solar, wind and geothermal) and provides training in the development and management of specific renewable energy systems.

936-5731 Energy In Agriculture Development - Strengthens developing countries' technical capability to sustain energy supplies and improve energy efficiency of its agricultural systems so that agricultural productivity may be increased.

936-9997 Conventional Energy Training - Trains less developed country nationals in scientific, engineering, planning and managerial skills necessary to develop and manage conventional energy activities.

Office of Forestry and Environmental and Natural Resources

936-5517 Environmental Planning and Management - Supports research, methodological design and policy analysis in environmental and natural resources management in order to strengthen less developed country institutional capacity to manage and conserve natural resources for sustainable development.

936-5518 Coastal Resources Management - Provides assistance, training, and research in order to increase the capacity of less developed country professionals and institutions to identify and resolve multisectoral problems of coastal areas.

936-5519 Forest Resources Management - Provides technical assistance and conducts research that will enhance the wise use of forest resources by means of conversion, conservation and preservation.

936-5547 Forestry/Fuelwood Research and Development - Helps strengthen the capacity of less developed countries to develop and use forestry and agriculture-related research to address fuelwood and other development needs by establishing regional and interregional research networks.

936-5550 Natural Resources Research and Training - Assists less developed countries better manage their wild plant, animal and microbial resources.

Research and University Relations

931-1282 Strengthening U.S. Universities for Title XII - Helps U.S. universities adapt their domestic capabilities to A.I.D./LDCs development needs.

936-5053 Small Research Grants for HBCUs - Funds research projects at historically black colleges and universities (HBCUs) that address less developed country problems.

936-5055 Technical Advisory Support Services - U.S. universities and colleges assist less developed countries solve their development problems.

Program Office

936-1406 Program Development and Support - Provides technical expertise, goods and services to improve program development, project design, implementation and evaluation of less developed country programs.

936-5054 Information Transfer - Produces a technical magazine and provides an information transfer service which informs less developed country development specialists about new, effective technologies, products and project experience.

Bureau for Food For Peace and Voluntary Assistance

938-0700 Food for Peace Program Management - To provide the technical expertise and ancillary services needed to improve the planning and implementation of ongoing programs.

938-0701 Title II Program Enhancement - To improve the development impact of Title II resources by strengthening the capability of PVOs to design and implement essential complementary components of supplementary feeding programs.

938-0702 Food Data Needs Assessment - To improve collection of food sector data in drought prone African countries in order to make more accurate and timely estimates at food aid needs.

938-0703 Title II Outreach - To provide logistical support so that private voluntary agencies may continue, expand and retarget Title II programs to reach people most in need.

Bureau for Program and Policy Coordination

930-0022 Socio-Economic Studies and Activities - Supports research on U.S. assistance policies and programs; areas of inquiry include the role of the private and public sectors in developing countries, price policies for public sector services, criteria for allocations of food assistance, and the relationship of energy cost to debt.

930-0100 WID Strategies and Resources - Facilitates the inclusion of women into A.I.D. assistance programs with technical assistance such as that drawn from U.S. university WID centers, and action-oriented, applied research to enhance employment and income earning opportunities for women in the developing countries.

930-0232 Information as a Tool in Development - Selects, collects, retrieves and transfers technical, program and project information generated by LDC institutions, PVOs, other U.S. agencies, national and international development organizations (World Bank, FAO), and A.I.D. to the developing countries; and, supports outreach programs in the LDCs with awareness journals, and technical assistance on information programs such as library and information network development.

930-0264 Agriculture Information and Related Services - Makes available to developing countries the sizeable technical information resources of the U.S. Department of Agriculture and its Agencies such as the National Agriculture Library, The Foreign Agriculture Services, and the Science and Education Administration.

930-0600 Peace Corps - Supports small community-based development projects managed by Peace Corps volunteers. These projects deal with food production, primary health care, and small enterprise development.

936-4111 International Agricultural Research Centers - An international agricultural research network to supply scientific and technical methodologies to less developed countries to expand food production.

POPULATION PLANNING

Responsible Officer:

Nyle C Brady

NYLE C. BRADY
Senior Assistant Administrator
Bureau for Science and Technology

PROGRAM SUMMARY (in millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
164.3	138.0	146.6

POPULATION

OVERVIEW

The goal of population assistance is to enhance the well being of families by expanding the availability and use of voluntary family planning services. The cornerstone of U.S. population policy is to ensure the right of couples to choose the number and spacing of their children. When family planning services are readily available, families can space their children and have the option, if they desire, to have fewer children.

The consequences of rapid population growth are now more widely understood. Its damaging effect on the health of mothers and children is particularly clear: maternal and infant mortality rises measurably with the number of births and with births too closely spaced. Twenty-five years ago only a handful of developing countries recognized the diverse problems associated with population growth; now more than 70 developing countries, with over 90 percent of the developing world's population, have adopted population policies. The United States has taken a lead role in calling attention to the impact of rapid population growth and, through A.I.D., has provided almost half of all population donor assistance over the past two decades.

Despite the growing desire for family planning services, population growth rates in most developing countries remain high. In some countries, especially in Sub-Saharan Africa, birth rates have not declined. However, there is evidence that high rates of population growth are beginning to level off in a number of developing countries. The most significant fertility declines have occurred in countries with both a strong national commitment to reducing population growth and widely available family planning services. A.I.D.'s experience demonstrates that a balanced program which provides family planning services and information, combined with strong community support for family planning, is the most effective way of helping couples determine the size and spacing of their families.

Since 1965, with the active support and encouragement of Congress, the United States has provided major support to developing countries' efforts to address population problems. As developing countries have realized the importance of population planning, the level of program activity has grown and individual countries have increased their own support for population activities. It is estimated that host country governments (excluding China) and donors provide more than a billion dollars per year to support developing country population programs.

POLICY

In 1984 the U.S. issued a policy statement during the International Conference on Population. This statement emphasized three A.I.D. concerns: (1) the need for mutually reinforcing economic policies and population policies; (2) the continued need for expanded access to voluntary family planning services; and (3) the need to ensure that U.S. government support is disassociated from abortion-related activities. The statement also emphasizes U.S. respect for human life, the enhancement of human dignity, and the strengthening of the family. Abortion is excluded as a method of family planning.

A.I.D. has taken steps to dissociate U.S. funding from organizations involved in abortion-related activities and programs involving coercion:

-- A.I.D. did not provide funds to the Internatioinal Planned Parenthood Federation in 1985 because of that organization's involvement with abortion. However, A.I.D. continues to support certain affiliates of the IPPF which have no abortion-related activities.

-- A.I.D. withheld $10 million from the $46 million earmarked for the UNFPA in FY 1985. The decision was made in accordance with current legislation which prohibits funding to organizations which support or participate in the managemenr of a program of coercive abortion or sterilization. Although it is clear that the UNFPA program itself does not involve coercion or abortion, the UNFPA has supported the population program in China where a one-child-per-family policy has led to coercive practices.

These decision do not imply a reduction of support for voluntary family planning, but a strengthening of the U.S position that U.S. funds not be used for abortion or coercive programs.

Family planning programs are an essential element of the U.S. development assistance strategy, and this Administration has reaffirmed a 20-year U.S. commitment to voluntary family planning efforts. In its Strategic Plan for 1985, A.I.D. adopted the goal that 80% of couples in the developing world should have access to family planning services.

Major priority emphases of the Agency include:

--voluntary family planning service programs which provide a wide range of choices in family planning methods, including natural family planning;

--expansion of the number of channels through which family planning is distributed;

--greater involvement of the private sector in the delivery of services including not only not-for profit organizations, but especially the use of commercial channels for the distribution of contraceptives;

--biomedical research into safer and better methods of fertility regulation, including natural family planning and operations research into more effective delivery and program management;

--integration of population policies and programs with economic development policies and programs which reinforce the demand for and effective utilization of family planning services;

--strengthening the direct involvement of local institutions in the development process.

The centrally-funded population assistance program supports a broad set of functional activities in support of these major emphases which can be readily adapted to the needs and desires of individual LDCs. These include assistance in collection and analysis of demographic data; formulation of population policies; the provision of safe, effective, and affordable contraceptives; operations research; technical assistance in planning and designing programs; and information and training activities. To further enhance couples' choices, A.I.D. has initiated actions to increase information on and access to natural family planning. This program is based on the principle of voluntarism, informed choice, and the receptivity of the host country's people and government. U.S. assistance is not conditioned on the host government adopting a particular population policy.

A.I.D. has worked with the developing countries on population policy and programs since the mid-1960s. This experience has underscored the need for a variety of technical and institutional resources to assist in the developing country's transition from the initial stages of population program development to national program self-reliance. Thus, the population assistance program draws heavily upon U.S. academic, business and private voluntary organizations' skills and expertise for assistance in the transfer of scientific, technical and management techniques.

STRATEGY AND PROGRAMS

Centrally-funded projects play a key role in the application of science and technology to developing world problems and the marshalling of private sector techniques and resources for family planning product and service delivery. In those parts of Latin America, Africa and other regions where there are no U.S. bilateral population assistance programs, central support of the programs of private and international organizations plays a critical role in making family planning services available. A.I.D. is requesting $146.6 million in population funds for FY 1987 for these centrally funded activities. This will account for 59% of the total population assistance budget.

Important elements of the FY 1987 centrally-funded program are the strong support for private sector, voluntary and other non-governmental and international organizations; technology transfer and institutional development; policy dialogue and research and training to ensure the broadest possible range of choices of family planning methods, including natural family planning and the most effective use of donor and host country resources. Implicit in the centrally-funded program design is the belief that the best way the Agency can fulfill its mandate in population assistance is not through the simple transfer of resources but through technology transfer and the strengthening of LDC institutions. A.I.D. has been the leader in the development and provision of the latest fertility regulation techniques and has pioneered such cost-effective delivery systems as community-based commodity distribution systems and social marketing programs. Recognizing the important relationship between child spacing and child survival rates, A.I.D. has been testing innovative ways to combine family planning services with primary health care.

Centrally-funded projects serve as the focal point within the Agency for the coordination of research and the transfer of U.S. scientific, technological and managerial knowledge to LDCs implementing family planning programs. Centrally-funded projects like Family Health International (936-3041) and Strategies for Improving Service Delivery (936-3030) investigate and test new technologies for fertility regulation, service delivery and program management for worldwide use. Other centrally-funded projects like Demographic Data for Development (936-3000), Training in Reproductive Health (932-0604), and Population Information Program III (936-3032) make the latest information and technology available for use in developing country programs. All these research, training and information dissemination activities are designed to maximize the involvement of LDC public and private sector institutions so that an institutional base will be created for eventual national program self-reliance. Centrally-funded population projects can be divided into four major categories: policy dialogue; applied research; family planning services delivery; and information and training.

POLICY DIALOGUE ($13.4 million in FY 1987; $12.4 million in FY 1986)

Family planning programs are most successful where governments support strong service delivery systems, are committed to addressing rapid population growth through the provision of voluntary family planning services, and where this commitment is translated into a clear population policy, backed by policies stressing improved education, health and employment opportunities, especially for women. A.I.D. includes these topics in policy discussions with countries where continued high population growth rates appear to be eroding economic development.

A select group of centrally-funded population assistance projects contributes to these important policy discussions by providing LDC leaders with the information and institutional resources they need to examine the implications of current rates of population growth and formulate national policies consistent with their development goals.

Two demographic data collection and analysis projects contribute significantly to our understanding of LDC population trends and the development and impact of policies and programs. The Demographic Data for Development project (936-3000) strengthens the capacity of developing countries to process, evaluate and analyze demographic and family planning data as well as other related socio-economic data. In Nigeria, for example, the project is providing critical technical assistance for the analysis of the 1980 National Demographic Sample Survey. Data from this survey will provide the only available demographic estimates since the 1963 census. The Family Health and Demographic Surveys project (936-3023) focuses on demographic data collection and analyses to assist LDC officials and program managers in the planning, management and evaluation of population and health programs.

Three policy research and analysis projects help LDC leaders examine and understand the determinants and consequences of rapid population growth in relation to national objectives and to evaluate policy alternatives. Through specially-designed computer presentations, the Resources for Awareness of Population Impact on Development (RAPID) II project (936-3017) provides LDC policy-makers with specific information on the impact of current population growth rates on their development objectives and trains host country staff in policy analysis. RAPID presentations were made at the first National Seminar on Family Health and Development held in 1985 in Niger. The seminar is considered a turning point in the development of population policy in Niger, and the RAPID presentations were particularly effective in promoting the population policy dialogue. The Integrated Population Development II project (936-3027) helps national development planners acquire the technical expertise necessary to analyze population and development variables. The Population Policy Initiatives project (936-3035) continues important socio-economic research and examination of the impact of national policies, laws and regulations on population growth rates. One major subproject component, Technical Information on Population and the Private Sector (TIPPS), is helping to increase the allocation of private sector resources to family planning. Another major subproject, Innovative Materials for Population Action (IMPACT), is providing technical assistance to LDC institutions to improve the dissemination of population research findings.

APPLIED RESEARCH ($26.1 million in FY 1987; $25.3 million FY 1986)

Centrally-funded projects also support applied research in the United States and in the developing countries in two areas: biomedical research to develop more effective and more appropriate contraceptives and other family planning techniques for LDC use; and operations research to improve the management and delivery of family planning services.

A.I.D. support of biomedical research has led to safer and more effective sterilization procedures and the use of the low-dose oral contraceptives, vaginal contraceptives and new and improved IUDs for LDC family planning programs. Biomedical research is carried out under three projects: Family

Health International (936-3041), Contraceptive Research and Development (936-3044), and the Population Council Program (936-3005). During the period FY 1983 - FY 1987, funding is expected to nearly double to accelerate the development of contraceptive technologies which are believed to be almost ready for use. These technologies include advanced IUDs, subdermal implants and other long-acting contraceptives, progestin-only oral contraceptives, immunocontraceptives and several barrier methods, along with better information on natural family planning. The biomedical research program also supports clinical testing to assess the acceptability, safety and effectiveness of contraceptive technology in developing country settings and the transfer of new and improved fertility technologies to the LDCs. Studies on the use of natural family planning methods address important questions about the conditions under which natural family planning may be most appropriate and effective. A number of large-scale epidemiological studies have been initiated. These will measure and analyze, among other things, the mortality and morbidity of contraceptive users and non-users.

Improved contraceptive technologies cannot be effective if they are not readily available and acceptable to prospective users. The Strategies for Improving Service Delivery project (936-3030) assists LDC policy-makers and program administrators in the design, implementation and evaluation of cost-effective delivery systems which can make family planning and basic health services more widely available, at a reasonable cost, to rural and urban poor populations. Since this operations research (OR) program was launched in 1973, a total of 85 country projects have been developed, covering a population of over 38 million. Currently, there are 43 active OR projects: 16 in Africa, 12 in Asia, 9 in the Caribbean, and 6 in Latin America. Of the many lessons learned to date, the most important is that the delivery of community-based family planning and health services by locally recruited and specially trained non-professionals is acceptable, feasible, safe and cost-effective in a wide variety of cultural settings. Moreover, contraceptive prevalence rates in project areas have doubled, on the average, in only one to two years.

Many of these projects have been responsible for significant changes in the organization and management of family planning and primary health care programs in such countries as Bangladesh, Brazil, Colombia, Haiti, Egypt, Mexico, Morocco, and Tunisia. The successful Morocco OR project, for example, led to the development and implementation of a national strategy to increase contraceptive availability and use. Important new operations research activities test cost-effective approaches to family planning service delivery in a number of African countries including Kenya, Nigeria, Sudan, and Zaire. Natural Family Planning (NFP) demonstration projects are in Liberia, Zambia and Mauritius. Assessments of interventions to promote breast feeding is another area of special interest.

FAMILY PLANNING SERVICES ($57.1 million FY 1987; $52.1 million FY 1986)

Family planning services continue to be the area of greatest emphasis in the centrally-funded program. Included here are the U.S. contributions to international and private voluntary organizations, general technical assistance activities and the bulk procurement of safe, effective, modern contraceptives.

Private population organizations remain critical to A.I.D.'s strategy for delivering family planning services, particularly in countries without a bilateral development assistance program. These organizations support family planning service projects in more than 60 developing countries. Among the private organizations to which A.I.D. provides support for population activities are Family Planning International Assistance (932-0955), The Association for Voluntary Sterilization (932-0968), the Pathfinder Fund (936-3042), and the Western Hemisphere Region of the International Planned Parenthood Federation (936-3043). The Family Planning Enterprise project (936-3034) increases LDC private sector involvement in family planning and tests innovative service delivery systems by the private sector. In many countries the private organizations are the principle supplier of family planning services. In other countries, these organizations complement public sector programs by using the local volunteers to provide family planning services for hard-to-reach groups.

Special emphasis is given to expanding private family planning activities in Africa where private organizations play a critical role and where family planning services usually must be integrated closely with health activities.

The contraceptive procurement program is also centrally managed. The provision of an adequate supply of contraceptives is an essential element of A.I.D.'s support to family planning services programs. Centrally-purchased U.S.-manufactured contraceptives were supplied to programs in more than 70 countries in FY 1985. Through central procurement, the cost of contraceptives to A.I.D. has actually declined.

More than other components of the population program, family planning service projects draw upon the private sector. Through these programs, A.I.D. purchases high quality U.S.-manufactured family planning commodities and uses private organizations to transfer resources and know-how to developing world counterparts. The Contraceptive Social Marketing project (936-3028) uses existing private sector entities in the developing world for the delivery of family planning information and services. This has resulted in programs which reach populations who previously did not have access to family planning and which deliver family planning services at low cost.

INFORMATION AND TRAINING ($18 million FY 1987; $18.2 million FY 1986)

One of the strengths of the U.S. population assistance program has been the transfer of U.S. scientific and technological know-how to LDCs implementing family planning programs. The population internship program, funded under the University Overseas Service project (936-3033), for example, helps developing countries meet current needs for specialized personnel while also increasing the pool of population specialists with international experience. Annually eight to ten interns with skills in technical areas like demographic analysis, family planning program management, computer systems, training or clinical services are assigned to LDC program administrators.

Centrally-funded information and training projects also play a key role in the technology transfer process by providing family planning service providers and program managers with current information on fertility regulation technology and modern procedures for family planning program management and by promoting institutional and human resource development. These projects help provide individual LDC couples with the information they need to make and implement decisions on family size and child spacing.

An important new initiative which began in FY 1985 is the Management Training project (936-3039) which responds to requests from developing countries for management training for middle and upper level managers.

Three on-going training programs help meet the needs of developing countries for skilled family planning personnel. The Training in Reproductive Health project (932-0604) draws upon the specialized resources of the Johns Hopkins Program for International Education in Gynecology and Obstetrics to help LDC physicians and family planning administrators upgrade their knowledge of human reproduction. This project provides an important avenue for technology transfer and the development of human resources in family planning and health. Since 1972 more than 20,000 LDC physicians, nurses, anaesthetists, and family planning administrators have received training under this project. The Paramedical, Auxiliary and Community (PAC) Family Planning Personnel Training II project (936-3031) strengthens LDC institutional capacity to train these key workers. Improving the skills of PAC managers and supervisors and the training of trainers receive particular emphasis. It is estimated that more than 140,000 health and family planning workers will receive training under this project during the period FY 1984 - FY 1987. The Family Planning Worldwide Training Fund (932-0651) enables key LDC population and family planning personnel to receive short-term U.S. training. Some 300 family planning leaders received training through this project in the past four years.

The Population Communications Services project (936-3004) creates a technical resource base for country-specific assistance in the development and testing of family planning information, education and communications programs. The project emphasizes the use of both public and private sector organizations in LDCs to improve the quality of information available to individual couples and to create an indigenous institutional base. The Population Information Program (936-3032) provides LDC family planning administrators, service providers and other concerned professionals with up-to-date scientific, technical and general information on family planning technology, service delivery modes and other population issues and concerns. The chief publication supported by the project is Population Reports, which has an estimated readership of 200,000 and is one of the most widely read and respected population publications.

UNITED NATIONS FUND FOR POPULATION ACTIVITIES ($32 million FY 1987; $30 million FY 1986)

The FY 1987 request includes $32 million for the United Nations Fund for Population Activities (UNFPA). If, because of UNFPA's inability to meet legislative restrictions, it is not possible to obligate funds to UNFPA, it is A.I.D.s intention to use the funds for other voluntary family planning activities.

The United Nations Fund for Population Activities (UNFPA) is the largest single recipient of funds. A.I.D.'s contribution to UNFPA is important because of that organization's ability to work in countries which prefer multilateral donor assistance and because of the complementary resources it provides to countries where A.I.D. has bilateral programs.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - POPULATION PLANNING

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
BUREAU FOR SCIENCE AND TECHNOLOGY												
OFFICE OF POPULATION												
POPULATION PROGRAM DEVELOPMENT/SUPPORT	G	932-0502	68	C	---	---	14,776	14,595	1,981	2,000	1,800	1,800
FAMILY HEALTH INTERNATIONAL(FHI)	G	932-0537	71	86	54,833	52,252	52,252	51,140	---	1,112	---	---
APPLIED RESEARCH ON FERTILITY REGULATION	G	932-0546	72	85	27,378	19,765	19,765	16,534	---	3,231	---	---
TRAINING IN REPRODUCTIVE HEALTH	G	932-0604	73	90	66,241	76,898	59,867	52,131	5,000	5,600	5,300	6,000
FERTILITY IMPACT-DIFFERENT FP PROGRAMS	G	932-0632	72	86	39,747	27,751	27,558	26,646	---	1,107	---	---
POPULATION POLICY RESEARCH	G	932-0643	79	87	12,665	9,835	9,565	7,399	320	1,150	---	736
FP WORLDWIDE TRAINING FUND	G	[illegible]	72	C	---	---	5,042	4,974	360	300	300	310
FAMILY PLANNING SERVICES-PATHFINDER	G	932-0807	68	84	77,344	77,343	77,343	74,040	---	3,000	---	303
FP INTERNATIONAL ASSISTANCE PROGRAM	G	[illegible]	71	87	191,500	220,000	160,026	143,621	12,900	13,400	14,000	14,720
PROGRAM FOR VOLUNTARY STERILIZATION-AVS	G	[illegible]	72	86	133,036	200,000	69,174	80,320	10,200	12,000	9,500	11,000
DEMOGRAPHIC DATA FOR DEVELOPMENT	G	[illegible]	82	86	7,500	14,300	[illegible]	5,079	1,782	2,200	1,982	2,000
POPULATION COMMUNICATIONS SERVICES	G	936-3004	78	87	9,995	45,000	3,092	4,857	3,100	3,200	3,000	3,500
POPULATION COUNCIL PROGRAM	G	[illegible]	71	87	36,387	38,036	22,922	16,294	4,700	5,000	4,100	5,000
AWARENESS OF POP IMPACT ON DEV (II)	G	936-3017	82	87	9,800	16,000	4,708	3,825	1,800	2,000	1,700	2,000
CONTRACEPTIVES PROCUREMENT	G	[illegible]	81	C	---	---	46,215	41,925	6,000	7,000	6,200	7,500
DEMOGRAPHIC AND HEALTH SURVEYS	G	936-3023	84	93	24,675	40,250	9,050	1,645	2,700	5,200	3,418	5,300

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - POPULATION PLANNING

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG-ATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
POPULATION TECHNICAL ASSISTANCE	G	936-3024	84	86	7,120	11,750	2,224	1,355	1,000	1,163	1,250	1,300
INTEGRATED POP DEV PLANNING II	G	936-3027	84	86	8,548	34,808	2,034	1,531	1,600	1,325	2,000	2,000
CONTRACEPTIVE SOCIAL MARKETING	G	936-3028	84	88	25,000	25,000	6,600	2,010	3,000	3,500	4,750	4,600
NATURAL FAMILY PLANNING, EDUCATION/TRAINI	G	936-3029	84	85	1,950	1,857	1,857	1,017	---	500	---	340
STRATEGIES FOR IMPROVING SERVICE DELIVER	G	936-3030	84	87	36,842	73,200	12,837	3,849	7,800	8,650	7,900	9,300
FP TRNG FOR PARAMEDICAL AUX.COMMUNIT-II	G	936-3031	84	89	28,026	74,388	11,151	4,976	5,000	6,100	2,700	6,000
POPULATION INFORMATION PROGRAM III	G	936-3032	84	86	8,000	34,000	5,520	2,480	2,200	3,000	3,000	3,200
UNIVERSITY OVERSEAS SERVICE PROGRAM	G	936-3033	84	88	3,700	3,700	1,100	411	419	800	700	800
FP ENTERPRISE	G	936-3034	85	89	39,321	39,321	5,007	---	2,500	3,500	4,400	4,400
POPULATION POLICY INITIATIVES	G	936-3035	85	89	29,703	73,363	2,806	233	3,167	2,500	4,000	5,000
EXTENDING FP SRVCS THRU WOMEN MANAGERS	G	936-3037	85	89	7,300	14,500	800	53	600	800	1,000	1,000
FP LOGISTICS AND MANAGEMENT	G	936-3038	86	90	---	7,000	---	---	1,000	250	700	900
MANAGEMENT TRAINING	G	936-3039	85	89	17,679	17,679	3,495	---	1,131	2,000	3,000	3,500
NATURAL FP	G	936-3040	85	89	20,000	20,000	2,300	145	2,000	2,000	2,400	2,500
FAMILY HEALTH INTERNATIONAL	G	936-3041	85	89	58,500	58,500	8,700	725	7,350	7,000	8,700	9,000
FAMILY PLANNING SERVICES-PATH FINDER	G	936-3042	85	89	60,000	60,000	12,000	850	9,000	9,000	9,500	10,000
EXPANSION/IMPROV. FP PROGRAMS	G	936-3043	85	86	12,000	32,000	5,000	45	4,000	5,500	4,000	6,000
CONTRACEPTIVE DEV. & RESEARCH - CONRAD	G	936-3044	86	90	31,760	80,680	---	---	3,500	500	3,000	3,000

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - POPULATION PLANNING

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR PROGRAM				1,082,425	1,519,728	696,030	565,045	107,000	125,588	114,300	131,709
GRANTS				1,082,425	1,519,728	696,030	565,045	107,000	125,588	114,300	131,709
LOANS				---	---	---	---	---	--	---	---
TOTAL FOR BUREAU				1,082,425	1,519,728	696,030	565,045	107,000	125,588	114,300	131,709
GRANTS				1,082,425	1,519,728	696,030	565,045	107,000	125,588	114,300	131,709
LOANS				---	---	---	---	---	---	---	---
BUR. FOR PROGRAM AND POLICY COORDINATION											
SOCIO-ECONOMIC STUDIES AND ACTIVITIES	G 930-0022	78	C	---	---	2,271	1,986	490	400	100	100
WID STRATEGIES AND RESOURCES	G 930-0100	80	C	---	---	403	395	510	225	100	100
PEACE CORPS	G 930-0600	85	C	---	---	---	---	---	---	100	100
UN FUND FOR POP ACTIVITIES (UNFPA)	G 932-0662	68	C	---	---	413,291	413,291	30,000	30,000	32,000	32,000
TOTAL FOR PROGRAM				---	---	415,765	415,672	31,000	30,625	32,300	32,300
GRANTS				---	---	415,765	415,672	31,000	30,625	32,300	32,300
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				---	---	415,765	415,672	31,000	30,625	32,300	32,300
GRANTS				---	---	415,765	415,672	31,000	30,625	32,300	32,300
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				1,082,425	1,519,728	1,111,795	980,717	138,000	156,213	146,600	164,009
GRANTS				1,082,425	1,519,728	1,111,795	980,717	138,000	156,213	146,600	164,009
LOANS				---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date
For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date

CENTRALLY FUNDED POPULATION PROJECTS

Office of Population

932-0502 Population Program Development and Support - Provides technical expertise, goods and services to improve program development, project design, implementation and evaluation of population/family planning programs in developing countries.

932-0604 Training in Reproductive Health - Trains physicians and nurses in reproductive health, including courses in maternal and infant care, high risk pregnancy, infertility, contraception, cancer screening, voluntary sterilization and the use and care of specialized medical equipment.

932-0643 Population Policy Research - Sponsors research leading to the development of government policies and programs that will encourage lower fertility.

932-0651 Family Planning Worldwide Training Fund - Funds participant training in the United States for key population/family planning personnel from less developed countries.

932-0955 Family Planning International Assistance Program (FPIA) - Introduces and/or extends family planning services throughout existing medical, social and welfare programs in less developed countries. FPIA supports mostly non-government institutions and encourages integration of family planning into on-going activities such as maternal/child health, women's, and church programs.

932-0968 Program for Voluntary Sterilization (AVS) - Makes high-quality voluntary sterilization services available as an integral part of LDC health and family planning programs.

936-3000 Demographic Data for Development (DDD) - Strengthens the capacity of developing country statistical and population institutions to process, evaluate and analyze demographic, family planning and other related social and economic data to promote greater understanding of population and development relationships. Project activities include technical assistance, short-term training for LDC technicians and analysts and compilation, analysis and dissemination of data for program and project planning.

936-3004 Population Communications Service (PCS) (formerly Family Planning IEC Field Support) - Develops information and education programs to support LDC population and family planning service delivery. The project assists countries to identify needs, design communication strategies, marketing and audience surveys, implementation and impact evaluations.

936-3005 Population Council Program - Supports biomedical, social science and operations research and dissemination of information.

936-3017 Awareness of Population Impact on Development (RAPID II) - Assists LDC policy makers and planners to examine the effects of population on socio-economic development and promotes the inclusion of population/development relationship in their development plans.

936-3018 Contraceptive Procurement - Provides funding to meet requirements for certain contraceptives to be provided through centrally-funded population/family planning programs. The project also serves as a central account for the procurement of contraceptives for A.I.D. bilateral programs.

936-3023 Demographic and Family Health Surveys - Conducts sample surveys of contraceptive knowledge, availability and use, and/or recent demographic levels and trends. This project will build on the survey and data analysis technology developed under two previous projects--World Fertility Survey (932-0547) and Contraceptive Prevalence Studies (932-0624).

936-3024 Population Technical Assistance - Provides short-term technical assistance services in project design, management and evaluation of population and family planning programs.

936-3027 Integrated Population Development Planing II - Strengthens the technical capabilities of local planning institutions to understand population development problems and incorporate population considerations in development planning.

936-3028 Contraceptive Social Marketing - Supports the use of non-clinical contraceptives through commercial marketing and private sector distribution systems.

936-3030 Strategies for Improving Service Delivery - Initiates and tests the acceptability, accessibility and cost-effectiveness of family planing and maternal and child health (FP/MCH) service delivery systems; supports the institutionalization of operations research in FP/MCH programs in less developed countries.

936-3031 Family Planning Training for Paramedics/Auxiliaries II - Strengthens and develops the capacity of training institutions to design, implement and evaluate training activities for paramedical, auxiliary and community personnel in the delivery of family planning and health related services.

936-3032 Population Information Program III - Provides regular reports and specialized materials on key population and health topics for use in family planning program administration and training.

936-3033 University Overseas Service Program - Provides technical expertise and services to developing countries by providing internships to beginning professionals to undertake assignments in public and private host country institutions engaged in population planning activities.

936-3034 Family Planning Enterprise - Provides technical assistance to identify the need for and to create new private sector family planning organizations and funds innovative service delivery by these organizations.

936-3035 Population Policy Initiatives - Provides public and private policy-makers with assistance in developing population policies and programs consistent with their country's development and aspirations.

936-3037 Extending FP Services Through Women Managers - Women managers provide family planning services to unserved or underserved populations in developing countries.

936-3038 Family Planning Program Management and Support - Provides technical assistance in commodity management and logistics including development or developing country capability in inventory control, program monitoring and product distribution. NOTE: Confirm title and description before CP is finalized.

936-3039 Management Training - Strengthens the leadership and management of developing country family planning organizations.

936-3040 Natural Family Planning - Improves the knowledge, availability, acceptability and effectiveness of natural family planning in developing countries.

936-3041 Family Health International - Conducts comparative clinical trials on the safety and efficacy of various fertility control methods under local conditions; trains overseas clinicians in fertility control techniques; collects, analyzes and disseminates data findings; establishes national fertility research programs; assesses impact of fertility control methods and delivery systems and conducts epidemiologic safety studies.

936-3042 Family Planning Services - Pathfinder - Introduces voluntary family planning services, information and training into LDC areas and helps existing public and private sector family planning service systems become more effective.

936-3043 Expansion and Improvement of Family Planning Programs - Provides support for delivery and use of acceptable, affordable family planning services through established Family Planning Associations throughout Latin America and the Caribbean region.

936-3044 Contraceptive Research and Development - Provides scientific, technical and financial assistance for development of improved methods of family planning for use in developing countries.

Bureau for Program and Policy Coordination

930-0022 Socio-Economic Studies and Activities - Supports research on U.S. assistance policies and programs; areas of inquiry include the role of the private and public sectors in developing countries, price policies for public sector services, criteria for allocations of food assistance, and the relationship of energy cost to debt.

930-0100 WID Strategies and Resources - Facilitates the inclusion of women into A.I.D. assistance programs with technical assistance such as that drawn from U.S. university WID centers, and action-oriented, applied research to enhance employment and income earning opportunities for women in the developing countries.

932-0662 United Nations Fund for Population Activities (UNFPA) - Provides multilateral assistance for the initiation and support of population programs; promotes awareness of population problems; and coordinates international population assistance efforts.

HEALTH

Responsible Officer:

Nyle C Brady

NYLE C. BRADY
Senior Assistant Administrator
Bureau for Science and Technology

PROGRAM SUMMARY *(In millions of dollars)*		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
55.4 *	31.5 *	37.6 *

HEALTH

Overview

Today, more than 14 million children -- some 40,000 children per day -- die each year in developing countries, and an additional 5 million children each year face handicaps as a result of diseases which could be prevented. The Agency for International Development is committed to doing its part to change these daunting statistics. To do so requires not only much more effective and efficient dissemination of currently available health technologies but also much faster progress in developing and producing new or improved health technologies. The development, adaptation, and worldwide dissemination of basic health technologies is the primary mission of the Agency's centrally-funded programs.

The majority of people living in developing countries suffer from acute, recurrent, debilitating disease. Without access to an adequate diet, safe drinking water, environmental sanitation, and basic preventive and curative services, the consequence of such persistent and widespread infectious disease is death for many. Infant and child deaths are the greatest tragedy. In the poorest parts of some less developed countries (LDCs), as many as one-quarter of the children die before reaching the age of five. Every single day more than 40,000 children die in the developing world from diseases that could have been prevented or cured by relatively inexpensive treatments and simple education programs. Of the more than 14 million children who die each year in LDCs, it is estimated that roughly half could be saved through simple low-cost, effective health care methods such as oral rehydration, immunization, growth monitoring, education and other programs. Hundreds of millions more, adults and children, are weakened by acute and chronic diarrheas, respiratory infections, and tropical diseases such as malaria, snail fever (schistosomiasis), river blindness (onchocerciasis), sleeping sickness (trypanosomiasis) and cholera. For the survivors, the capacity to participate in and benefit from development is diminished. Such widespread death and illness affect all aspects of human life, depriving nations of productive human resources, burdening families with the care of the sick, and depriving individuals of the opportunity and motivation to advance themselves and their families.

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* Excludes centrally-funded Private and Voluntary Cooperation program activities totalling $13.4 million in FY 1985, $6.5 million in FY 1986, and $6.5 million in FY 1987 and centrally-funded Child Survival activities totalling $13.5 million in FY 1985; $17.9 million in FY 1986 and $17.5 million in FY 1987.

Most developing countries have committed themselves to bringing about improvements in basic health conditions, not only because good health is seen as a basic right but also because good health and economic productivity go hand in hand. Unfortunately, LDC financial and human resources to achieve health improvements are very limited.

Policies and Strategic Priorities in Health

The basic objective of A.I.D.'s health programs is to assist developing countries to become self-sufficient in providing broad access to cost-effective preventive and curative health services. To accelerate existing A.I.D. programs, the Child Survival Action Program (CSAP) was established in 1985. The Agency's strategic plan identifies several important targets for A.I.D.'s health programs:

- Reduce infant mortality to less than 75/1000 live births;
- Reduce mortality to less than 10/1000 for children 1-4;

In order to help the Agency achieve these ambitious objectives, A.I.D.'s program emphasizes the reduction of vaccine-preventable diseases and deaths due to dehydration from diarrheal diseases. Together, it is estimated that these two technologies could reduce infant and child mortality by one half. A.I.D.'s centrally-funded activities support these goals, improving the design and implementation of health programs through:

(1) the development and adaptation of new technologies, both biomedical (vaccines, diagnostics, improved drug treatments), and institutional (use of mass media, improved health information systems and improved mechansisms for supervision, management, financing and record keeping); and

(2) the global appplication of the results of the latest health technology research and development -- working collaboratively with LDC governments, PVOs, international health agencies, U.S. universities and research institutions, and a variety of private sector organizations.

DESCRIPTION OF THE CENTRALLY-FUNDED PROGRAMS

Centrally-funded health projects augment bilateral assistance to LDC governments by providing expert technical services and training, sponsoring field-oriented research and demonstration projects, and supporting biomedical research to improve basic health technologies. Centrally-funded projects often play a key role in the development and early implementation of innovative health programs such as the Child Survival Action Program and the biomedical research initiative. In fact, over 90 percent of the Agency's entire biomedical research portfolio is developed and managed centrally as are the major technical contracts for the design, implementation and evaluation of a wide range of health activities including ORT, immunizations, health financing, water and sanitation, malaria and other vector-borne disease control, diarrheal disease control, health commodities production, health information and communications, health information systems, training and management. In addition, centrally-funded matching grants to Private Voluntary Organizations (PVOs) which work in the health field play an important role in attracting additional private sector resources to address LDC health problems. Since LDC government health services can only reach a fraction of those needing assistance, such a broadening of the base of health providers is very important.

Centrally-funded S&T Health activities will continue to provide significant support to the Agency's child survival field programs. In addition to Health account funds, Child Survival funds will accelerate a variety of on-going technical assistance and research activities of direct importance to child survival.

A.I.D. is requesting $37.6 million in Health funds and $10.0 million in Child Survival funds for FY 1987 for centrally-funded activities. In FY 1986 approximately $31.5 million in Health funds and $10.6 million in Child Survival funds will be obligated.

The centrally-funded program of the S&T Office of Health can be described in three broad categories: expert technical services and training, biomedical research, and field-oriented, operational research.

I. Technical Assistance, Training and Service Delivery

A number of on-going centrally-funded projects support Agency-wide child survival programs and assist LDCs by providing expert advisory and information services for project design, implementation and evaluation. They help ensure that the most current knowledge about effective technologies and methods, gathered from global experience, are applied in A.I.D.'s bilateral health programs. They also support the work of private voluntary organizations in health service delivery. A.I.D. plans to obligate over $10.4 million in FY 1986 and is requesting $6.7 million in FY 1987 for these activities.

The Oral Rehydration Therapy - Health Education and Long-Term Planning (ORT-HELP) project (936-5939) plays a key role in making information and technical assistance on Oral Rehydration Therapy (ORT) available to health leaders in LDCs to enable them to incorporate ORT into their primary health systems. This project supports the work of Peace Corps volunteers to promote ORT, as well as efforts of others to expand ORT use through government and private health programs worldwide. Clearly, these programs are having an impact. Within a year of the start of the intensive ORT programs in The Gambia, as part of the Communication For Child Survival project, the number of rural Gambian mothers who had learned correctly to mix the recommended sugar-salt solution rose from 0 percent to 67 percent. In Egypt, as a result of a major ESF-funded ORT program, 94 percent of mothers had learned of ORT by 1984 and, even more important, over half of them had used rehydration salts to treat dehydration. But much more needs to be done. Current estimates are that ORT is used in only 13 percent of all cases of dehydration worldwide, and as a consequence, millions of children die needlessly.

The Water and Sanitation for Health II (WASH II) project (936-5942), begun in 1984, is the primary source of expert technical assistance for Agency-assisted programs in community water supply and sanitation. In FY 1985 the WASH project provided direct assistance in a number of African countries affected by the drought and significantly expanded delivery of technical assistance by U.S. private voluntary organization's (PVO) specializing in water and sanitation programs in the developing world. The WASH project has funded evaluations in Sierra Leone, Bolivia, Nepal, and the Cameroon; studies and surveys in Haiti and Belize; development of PVO water/sanitation project guidelines and a workshop on project design, implementation and evaluation for CARE water project staff from 15 sub-Saharan African countries.

The Technology for Primary Health Care project (936-5927) is designed to stimulate greater awareness and increased use of proven, effective technologies such as oral rehydration therapy and immunizations in primary health care programs. Under this project, three major technical support activities of direct relevance to the Agency's child survival initiatives are funded.

> PRITECH, a program of technical support to assist LDCs in the design, implementation and evaluation of ORT programs and other areas of primary health care management, training, financing, design and evaluation.
>
> REACH, a second program of technical support to (1) increase immunization service delivery worldwide and (2) improve local financing of health programs, management and training.
>
> CDC PASA, an agreement between A.I.D. and the Centers for Disease Control to bring to bear the experience and skills of the U.S. Public Health Service to assist in the expansion of basic health programs, specifically in the areas of immunization and ORT.

This multi-faceted program offers flexibility in responding quickly to new opportunities to expand health service delivery in developing countries. For example:

- Using resources from several sources, PRITECH initiated an ORT program in Bolivia that will be implemented through a national system of mothers' clubs which will provide access to 240,000 children under the age of five. In addition to the technical assistance to be supplied by PRITECH, this innovative effort will be augmented by a mission grant to Catholic Relief Services using local currency generated through A.I.D.'s PL 480 program.

PRITECH has placed two long term technical advisors in India to support national and state government efforts to reduce child mortality. The immediate objective is to assist the states of Maharashtra, Gujarat, and Himachal Pradesh to plan, implement, and monitor their ORT and immunization programs in eight project districts. A longer-term objective is to expand child survival activities throughout each State.

The MEDEX Support project (936-5932) uses health manpower training materials and techniques which were developed and successfully field tested by the University of Hawaii under previous contracts to improve health care delivery in the LDCs by governments and PVOs. MEDEX advisors, working with local counterparts, developed a supervisory management manual for use in Dominica's health centers. After in-country training was successfully completed, Dominica invited other LDCs from English-speaking Eastern Caribbean nations to attend a workshop in which Dominica's supervisory system was presented. MEDEX advisors are now available to assist other Eastern Caribbean nations with training in supervisory management.

The Vector Biology and Control (VBC) project (936-5948) provides technical assistance in the design, management, implementation and evaluation of vector control programs, as well as resources to develop improved techniques for control of vector borne diseases. The emphasis is on control of malaria; however, control of other vector borne diseases such as river blindness will be supported as well.

The HHS Resource Support project (936-5929) continues to make the expertise of the U.S. Public Health Service agencies available for short-term assistance in the design, implementation, and evaluation of LDC health programs.

The Communication for Child Survival (HEALTHCOM) project (931-1018) seeks to develop and test ways of using integrated communication channels to support widespread adoption of ORT, immunization, and other child survival technologies. In Honduras, an earlier project on which this project is based, demonstrated how news media and simple print materials support a large scale diarrheal disease control program carried out by health workers. In 16 months, the proportion of Honduran mothers who tried using ORT packets rose from 0 to 61 percent. Similar successes have been documented for other Latin America and Caribbean countries as well as in LDCs in other regions of the world.

II. Biomedical Research

Through several major biomedical research support projects, A.I.D. seeks to improve the technologies available for prevention or control of major diseases in the LDCs, particularly those that affect children. These investments are an integral element of A.I.D.'s overall effort to improve the cost effectiveness of LDC health programs and reduce dependence on external support. A.I.D. plans to obligate $11.9 million for S&T Health in FY 1986 and is requesting $20.0 million in FY 1987 for these activities.

The Malaria Immunity and Vaccination Research project (931-0453) has made a number of significant advances in this past year. Following last year's development of a prototype vaccine against the most lethal form of malaria, Plasmodium falciparum, a second prototype vaccine against the second most important species of malaria, Plasmodium vivax, has been developed. Studies of both safety and efficacy (Phases I and II) with human volunteers will begin in FY 1986, following Food and Drug Administration approval. Planning for eventual field trials of the prototype vaccines in malarious areas of the world has begun, and site selection for the Asia and Pacific Region and for the Americas is expected in FY 1986. If laboratory work continues on schedule and human volunteer trials go well, the field trials are expected to begin as early as FY 1987.

The Tropical Disease Research project (931-1126) provides support for the World Health Organization's Special Program for Research and Training in Tropical Diseases (TDR). This program, supported by more than 30 donors, conducts worldwide research and training on six major tropical diseases plus vaccine development for parasitic diseases. The TDR has already led to a variety of scientific achievements. One example is the development of a single dose, oral treatment which is effective against all forms of schistosomiasis (snail fever), a serious infectious disease currently affecting more than 200 million people. A.I.D. and TDR have agreed on a mechanism for directing a portion of the U.S. contribution to this program to particularly promising new technologies for disease control in primary health care (PHC) programs.

The Diarrheal Disease Research project (936-5928) supports the research at the International Center for Diarrheal Disease Research/Bangladesh (ICDDR/B) and the World Health Organization's Control of Diarrheal Diseases Program (CDD). Earlier A.I.D. support of research at ICDDR/B contributed to the successful development and broad dissemination of oral rehydration therapy which has contributed so importantly to child survival in both the developed and the developing world. Recent research on vaccines against the most prevalent diarrheas also shows great promise. In FY 1985, this project was broadened to include support for research on a number of vaccines, including an oral cholera vaccine, shigella vaccine, typhoid vaccine and rotavirus vaccine. This focused research will continue in FY 1986 and FY 1987.

The Vaccine Development and Health Research project (936-5947), initiated in FY 1984, builds upon worldwide breakthroughs in biomedical research to (1) develop new and improved vaccines against major diseases in LDCs, (2) improve the methods by which vaccines are delivered, (3) improve heat stability of vaccines and (4) investigate an inexpensive disposable injectable syringe. The project has supported A.I.D.'s work with the National Institutes of Health (NIH) to develop a vaccine to combat diarrhea caused by the rotavirus and the typhoid organisms, and with the Centers for Disease Control on a vaccine against measles, and an improved, less reactive pertussis vaccine.

III. Field-Oriented Applied Research

A.I.D.'s centrally-funded program supports a number of activities designed to improve the efficiency and effectiveness of LDC health programs through field-based operational research on primary health care delivery problems, and through the application of new technology to LDC health problems. A.I.D. plans to obligate $3.2 million in FY 1986 and is requesting $5.5 million in FY 1987 for these activities.

The Operations Research Health project (936-5920) provides funding and technical assistance for small operational research activities designed to improve the management and cost effectiveness of ongoing health programs in approximately 12 countries. This project builds on earlier operations research efforts to examine problems such as appropriate roles for community health workers and alternative mechanisms for financing PHC services. In Papua, New Guinea and Mexico, for example, operations research studies developed simplified analytical techniques that allowed community health workers to analyze local problems and set health service priorities. In the Philippines, a centrally-funded study led to the establishment of an effective and profitable network of village pharmacies based on community participation, resulting in a change in Ministry of Health policy toward such participation. A Honduras study demonstrated the impact of different approaches to PHC financing, particularly co-financing, resulting in changes in Ministry of Health policy towards cost recovery.

The Applied Diarrheal Disease Research project (936-5952) supports field research in developing countries aimed at improving the design and management of diarrheal disease control programs. This project will also support some strengthening of local capacity to conduct applied field research on problems of diarrheal disease control, principally in Africa.

The Diagnostic Technology Development project (936-5935), which was initiated late in FY 1985, will identify, adapt and develop new cost-effective techniques for quick and reliable diagnosis of malaria, diarrheal diseases, and acute respiratory infections at the community level for use in primary health care programs. Recent breakthroughs, including those in biomedical research, have yielded a variety of new low-cost technologies for rapid field diagnostic testing, laboratory screening, cluster sampling, advanced epidemiologic analysis, community surveillance, and statistical modeling. This project will introduce these technologies into the LDC primary health care setting.

IV. Child Survival Fund

A.I.D.'s child survival activities are assisted broadly by projects funded under the regular Health account. In addition, the Child Survival Fund provides a special focus and impetus to enhance existing A.I.D. programs which deliver simple, inexpensive and proven technologies to save the lives of children in developing countries and improve their prospects for a healthy future.

In FY 1986, the Child Survival Fund will support an accelerated program through the provision of technical support, training and research for child survival programs. In FY 1987, additional funding will be provided for many of these activities.

For example, the Child Survival Action Program Support (CSAP) project (936-5951), initiated in FY 1985, is a broad program of technical assistance, applied research, information dissemination and training designed to:

- identify, evaluate and promote child survival technologies, especially immunization and Vitamin A;
- promote an exchange of information on child survival technologies and programs; and
- promote long-term planning for child survival among developing country leaders and health care providers.

Under this project in FY 1987 A.I.D. intends to initiate two new activities. One will address the critical lack of trained personnel overseas to carry out child survival programs. It will provide technical expertise and services in developing countries by providing internships to new professionals to undertake assignments in public and private institutions and in cooperation with donor agencies engaged in child survival activities. The second activity will provide technical assistance and support through workshops, information and start-up funding to the growing number of private organizations (private voluntary organizations, health maintenance organizations, private industry, etc.) delivering child survival services in developing countries. For additional detail on Child Survival programs, see the Main Volume Child Survival narrative.

Other centrally-funded programs drawing on Health, Child Survival as well as other funds are an integral part of the overall Health program. Policy and Program Coordination and Private and Voluntary Cooperation program activities will utilize Health and Child Survival funds. Nutrition and Research and University Relations activities in the S&T Bureau will also draw on Health funds. These programs are described separately in this volume.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
BUREAU FOR SCIENCE AND TECHNOLOGY												
OFFICE OF NUTRITION												
NUTRITION: VITAMIN A DEFICIENCY PRG SPPT	G	931-0045	75	89	5,697	3,682	350	100	---	250	---	---
NUTRITION: IRON DEFICIENCY PRG SUPPORT	G	931-0227*	76	89	275	2,300	475	300	200	200	100	100
NUTRITION: IMPRV OF MATERNAL/INFANT DIET	G	931-1010*	79	88	14,227	14,227	6,081	4,962	950	800	1,575	1,350
NUTRITION: SURVEYS AND SURVEILLANCE	G	931-1064	77	87	---	925	---	---	525	300	400	585
NUTRITION: EDUCATION FIELD SUPPORT	G	931-1065	79	85	---	800	---	---	---	---	275	260
NUTRITION: HEALTH SYSTEMS RSSA	G	931-1198	77	C	---	---	790	615	325	375	325	325
TOTAL FOR PROGRAM					20,199	21,934	7,696	5,977	2,000	1,925	2,675	2,620
GRANTS					20,199	21,934	7,696	5,977	2,000	1,925	2,675	2,620
LOANS					---	---	---	---	---	---	---	---
OFFICE OF HEALTH												
MALARIA IMMUNITY & VACCINATION RESEARCH	G	931-0453	75	89	75,112	75,112	50,383	35,296	7,500	11,000	9,000	12,000
COMMUNICATION FOR CHILD SURVIVAL	G	931-1018	78	90	---	15,000	---	---	200	150	---	50
TROPICAL DISEASE RESEARCH	G	931-1126	78	90	22,300	40,300	22,300	20,800	1,500	1,500	2,500	1,500
DEMOGRAPHIC AND HEALTH SURVEYS	G	936-3023	84	88	5,250	2,625	600	---	400	600	500	500
HEALTH DEVELOPMENT PLANNING	G	936-5901	81	86	5,250	4,922	4,822	3,752	100	400	---	770
OPERATIONS RESEARCH-HEALTH	G	936-5920	81	89	19,553	19,553	9,240	6,169	1,500	2,400	2,000	2,000
TECHNOLOGY FOR PHC	G	936-5927	83	89	40,000	40,000	10,814	4,260	4,300	7,749	---	1,800
DIARRHEAL DISEASE RESEARCH	G	936-5928	84	89	14,025	14,025	4,675	2,555	2,900	3,700	5,500	4,900

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
HHS RESOURCE SUPPORT	G	936-5929	84	C	---	---	300	100	200	220	200	250
MEDEX SUPPORT	G	936-5932	83	87	4,600	4,600	2,482	1,624	500	1,000	1,000	1,100
DIAGNOSTIC TECHNOLOGY DEVELOPMENT	G	936-5935	85	91	10,000	10,000	500	---	725	800	1,500	700
ORT-HELP	G	936-5939	84	88	4,300	7,300	4,232	2,250	900	900	1,025	1,500
PEDIATRIC CHRONIC DIARRHEAL DISEASE	G	936-5940	84	87	3,000	3,000	1,998	1,248	800	800	---	650
WATER AND SANITATION FOR HEALTH II	G	936-5942	84	89	19,700	19,700	3,930	2,721	2,400	2,703	2,500	3,100
VACCINE DEVELOPMENT AND HEALTH RESEARCH	G	936-5947	84	98	6,000	6,000	5,430	629	---	2,000	1,200	2,800
VECTOR BIOLOGY AND CONTROL	G	936-5948	85	94	19,880	19,890	2,250	120	600	1,700	2,000	2,200
ASIA/PACIFIC PUB HEALTH MGMT PROG	G	936-5950	85	95	2,230	2,200	2,200	374	---	450	---	450
CHILD SURVIVAL ACTION PROGRAM SUPPORT	G	936-5951	85	87	8,000	8,000	28'	35	---	200	400	350
APPLIED DIARRHEAL DISEASE RESEARCH	G	936-5952	85	90	12,500	12,500	652	---	550	1,000	1,500	600
MOREHOUSE SCHOOL OF MEDICINE	G	936-5954	85	85	897	897	897	50	---	300	---	547
AMERICARES	G	936-5957	85	85	800	800	800	25	---	250	---	450
MILWAUKEE INT'L HEALTH TRAINING CENTER	G	936-5953	86	86	---	425	---	---	425	80	---	300
TOTAL FOR PROGRAM					273,947	306,839	128,791	82,006	25,500	39,902	30,825	38,517
GRANTS					273,947	306,839	128,791	82,006	25,500	39,902	30,825	38,517
LOANS					---	---	---	---	---	---	---	---
OFFICE OF POPULATION												
TRAINING IN REPRODUCTIVE HEALTH	G	932-0604.02	73	86	7,650	7,650	4,350	3,000	---	1,350	---	---
STRATEGIES FOR IMPROVING SERVICE DELIVER	G	936-3030	84	89	2,812	9,372	700	---	---	350	---	350

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
FP TRNG FOR PARAMEDICAL AUX.COMMUNITY-II	G 936-3031	84	88	6,152	16,439	350	350	---	---	---	---
TOTAL FOR PROGRAM				16,614	33,461	5,400	3,350	---	1,700	---	350
GRANTS				16,614	33,461	5,400	3,350	---	1,700	---	350
LOANS				---	---	---	---	---	---	---	---
OFFICE OF EDUCATION											
COMMUNICATION FOR CHILD SURVIVAL	G 931-1013	78	83	---	---	2,818	2,819	---	---	---	---
TOTAL FOR PROGRAM				---	---	2,818	2,819	---	---	---	---
GRANTS				---	---	2,818	2,819	---	---	---	---
LOANS				---	---	---	---	---	---	---	---
OFICE OF RESEARCH AND UNIVERSITY RELATIO											
HBCU RESEARCH GRANTS	G 936-5053	84	C	---	---	1,056	264	1,360	1,275	1,353	1,286
TECHNICAL ADVISORY SUPPORT SERVICES	G 936-5055	85	89	1,164	1,164	465	---	600	722	375	356
JOINT HOUS-HEALTH	G 936-5057	85	C	---	---	1,040	75	1,040	988	1,272	1,208
TOTAL FOR PROGRAM				1,164	1,164	2,561	339	3,000	2,985	3,000	2,850
GRANTS				1,164	1,164	2,561	339	3,000	2,985	3,000	2,850
LOANS				---	---	---	---	---	---	---	---
PROGRAM OFFICE											
PROGRAM DEVELOPMENT AND SUPPORT	G 936-1406	72	C	---	---	63	---	---	50	---	13
AID/PEACE CORPS SMALL PROJECT ASST	G 935-1421	85	87	1,500	1,500	1,500	---	---	750	---	750
TOTAL FOR PROGRAM				1,500	1,500	1,563	---	---	800	---	763
GRANTS				1,500	1,500	1,563	---	---	800	---	763
LOANS				---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR BUREAU				313,424	364,898	148,529	94,491	30,500	47,312	36,500	45,100
GRANTS				313,424	364,898	148,529	94,491	30,500	47,312	36,500	45,100
LOANS				---	---	---	---	---	---	---	---
BUR. FOR PROGRAM AND POLICY COORDINATION											
SOCIO-ECONOMIC STUDIES AND ACTIVITIES	G 930-0022	79	C	---	---	1,118	1,031	475	300	625	400
PEACE CORPS	G 930-0600	81	C	---	---	---	---	500	500	500	500
TOTAL FOR PROGRAM				---	---	1,118	1,031	975	800	1,125	900
GRANTS				---	---	1,118	1,031	975	800	1,125	900
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				---	---	1,118	1,031	975	800	1,125	900
GRANTS				--	---	1,118	1,031	975	800	1,125	900
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				313,424	364,898	149,647	95,522	31,475	48,112	37,625	46,000
GRANTS				313,424	364,898	149,647	95,522	31,475	48,112	37,625	46,000
LOANS				---	---	---	---	---	---	---	---

Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - CHILD SURVIVAL FUND

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
BUREAU FOR SCIENCE AND TECHNOLOGY												
OFFICE OF HEALTH												
COMMUNICATION FOR CHILD SURVIVAL	G	931-1018	78	87	---	3,000	---	---	1,500	450	1,400	1,200
TROPICAL DISEASE RESEARCH	G	931-1126	78	86	---	1,000	---	---	1,000	---	---	450
DEMOGRAPHIC AND HEALTH SURVEYS	G	936-3023	84	89	---	100	---	---	100	---	---	100
TECHNOLOGY FOR PHC	G	936-5927	83	89	---	10,000	---	---	2,700	860	7,000	3,800
DIARRHEAL DISEASE RESEARCH	G	936-5928	84	89	---	2,500	---	---	2,100	380	---	900
DIAGNOSTIC TECHNOLOGY DEVELOPMENT	G	936-5935	85	91	---	800	---	---	775	---	---	550
VACCINE DEVELOPMENT AND HEALTH RESEARCH	G	936-5947	84	88	---	500	---	---	500	---	---	325
CHILD SURVIVAL ACTION PROGRAM SUPPORT	G	936-5951	85	87	3,000	3,655	1,065	30	1,000	900	1,600	1,000
APPLIES DIARRHEAL DISEASE RESEARCH	G	936-5952	85	90	---	1,000	---	---	950	---	---	650
TOTAL FOR PROGRAM					3,000	22,565	1,065	30	10,625	2,590	10,000	8,975
GRANTS					3,000	22,565	1,065	30	10,625	2,590	10,000	8,975
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					3,000	22,565	1,063	30	10,625	2,590	10,000	8,975
GRANTS					3,000	22,565	1,065	30	10,625	2,590	10,000	8,975
LOANS					---	---	---	---	---	---	---	---
BUR. FOR PROGRAM AND POLICY COORDINATION												
UN CHILDRENS FUND	G	930-0700	85	C	---	---	7,500	---	---	2,500	---	5,000

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*Refers to the planned project summary sheet

C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - CHILD SURVIVAL FUND

PROJECT TITLE	* L / C	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR PROGRAM					---	---	7,500	---	---	2,500	---	5,000
GRANTS					---	---	7,500	---	---	2,500	---	5,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					---	---	7,500	---	---	2,500	---	5,000
GRANTS					---	---	7,500	---	---	2,500	---	5,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT					3,000	22,565	8,565	30	10,625	5,090	10,000	13,975
GRANTS					3,000	22,565	8,565	30	10,625	5,090	10,000	13,975
LOANS					---	---	---	---	---	---	---	---

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* Refers to the planned project summary sheet

C Level of effort activity

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CENTRALLY FUNDED HEALTH PROJECTS

Office of Nutrition

931-0045 Nutrition: Vitamin A Deficiency Program Support - Assists developing countries to implement programs for the prevention of nutritional blindness in children.

931-0227 Nutrition: Iron Deficiency Program Support - Assists developing countries to design and implement programs for alleviating iron deficiency anemia.

931-1010 Nutrition: Improvement of Maternal and Infant Diet - Assists developing countries in designing, testing and implementing programs to promote breastfeeding, improve weaning practices and good diet among pregnant and nursing women.

931-1064 Nutrition: Surveys and Surveillance - Develops appropriate methodologies in order to assist developing countries design and implement nutrition surveys and nutritional surveillance systems.

931-1065 Nutrition: Education Field Support - Improves the nutritional status of malnourished people in developing countries through more effective nutrition education.

931-1198 Nutrition: Health Systems RSSA - Assists developing countries to integrate nutrition components into primary health care delivery programs.

Office of Health

931-0453 Malaria Immunity & Vaccination Research - Supports laboratory research at institutions which are collaborating on the development and testing of a vaccine against human malaria.

931-1018 Communication For Child Survival - Develops and tests ways of using integrated communication channels to support widespread adoption of oral rehydration therapy (ORT), immunization, and other child survival technologies.

931-1126 Tropical Disease Research - Provides the United States annual contribution which, along with contributions of more than 30 other donors, supports the World Health Organization's Special Program for Research and Training in Tropical Diseases (TDR). TDR has a $25 million to $30 million annual program which focuses on the six tropical diseases which are major problems in the developing countries.

936-3023 Family Health and Demographic Surveys - Supports the collection and analysis of family health and demographic data for improved program design, management and evaluation.

936-5901 Health Development Planning - Strengthens the institutional capacity for health management training, operational research, and technical assistance in Indonesia and the Caribbean.

936-5920 Operations Research-Health - In selected programs, uses a standardized systems analysis methodology to identify the most important shortcomings in the delivery of basic health services, and then address these areas through a series of operations research studies.

936-5927 Technology for Primary Health Care - Provides training, management, logistics, information services, health financing and limited commodities to less developed country health care programs to help them incorporate proven technologies such as oral rehydration therapy or immunizations into their health care delivery systems.

936-5928 Diarrheal Disease Research - Supports the two major international organizations involved in diarrheal disease research and training, the International Center for Diarrheal Disease Research in Bangladesh (ICDDR/B), and the World Health Organization's Control of Diarrheal Disease (CDD) Program.

936-5929 HHS Resource Support - Provides less developed country health planners and managers with short-term expert technical assistance from the United States Public Health Service agencies such as the Centers for Disease Control, the National Institutes of Health, and the National Center for Health Statistics.

936-5932 MEDEX Support - Provides technical assistance for training of village and middle level paramedical health workers and managers in low cost health delivery systems.

936-5935 Diagnostic Technology Development - Develops and disseminates techniques for quick and reliable diagnosis of tropical diseases at the community level for use in primary health care programs.

936-5939 Oral Rehydration Therapy - Health Education and Long Term Planning (ORT-HELP) - Provides less developed country leaders with information and technical assistance to help them make oral rehydration therapy (ORT) more widely available in their countries.

936-5940 Pediatric Chronic Diarrheal Disease - Supports training of less developed country physicians so that they may improve their knowledge about chronic diarrheas.

936-5942 Water Supply and Sanitation (WASH) II - Supports host country water supply and sanitation programs with technology adaptation and transfer, training, and technical assistance. A sub-activity will provide funding for an international water and sanitation conference in 1987.

936-5947 Vaccine Development and Health Research - Supports development of new and improved vaccines which will reduce the incidence of major preventable diseases in developing countries.

936-5948 Vector Biology & Control - Enables less developed countries to control the spread of certain diseases by providing innovative techniques and strategies for attacking the vectors that transmit those diseases.

936-5950 Asia/Pacific Public Health Management Program - Strengthens national strategies for primary health care in the Asian and Pacific Basin nations through cooperative action of academic institutions in the region.

936-5951 Child Survival Action Support Program - Supports research and training activities in biomedical technology and health services management.

936-5952 Applied Diarrheal Disease Research - Supports field research in developing countries aimed at improving the design and management of diarrheal disease control programs and coordinates A.I.D.'s diarrheal disease research.

936-5958 Milwaukee International Health Training Center - Develops institutional capacity for primary health care training of health care professionals from less developed countries.

Research and University Relations

936-5053 Small Research Grants for HBCUs - Funds research projects at historically black colleges and universities (HBCUs) that address less developed country health problems.

936-5055 Technical Advisory Support Services - U.S. universities and colleges assist less developed countries solve their development problems.

936-5057 Joint MOUs - Health - Increases the capacity of historically black colleges and universities (HBCUs) to provide assistance to less developed countries in health areas.

Bureau for Program and Policy Coordination

930-0022 Socio-Economic Studies and Activities - Supports research on U.S. assistance policies and programs; areas of inquiry include the role of the private and public sectors in developing countries, price policies for public sector services, criteria for allocations of food assistance, and the relationship of energy cost to debt.

930-0600 Peace Corps - Supports small community based development projects managed by Peace Corps volunteers. These projects deal with food production, primary health care, and small enterprise development.

CENTRALLY FUNDED
CHILD SURVIVAL FUND PROJECTS

Office of Health

931-1018 Communication For Child Survival - Develops and tests ways of using integrated communication channels to support widespread adoption of oral rehydration therapy (ORT), immunization, and other child survival technologies.

936-5947 Vaccine Development and Health Research - Supports development of new and improved vaccines which will reduce the incidence of major preventable diseases in developing countries.

936-5948 Vector Biology & Control - Enables less developed countries to control the spread of certain diseases by providing innovative techniques and strategies for attacking the vectors that transmit those diseases.

936-5950 Asia/Pacific Public Health Management Program - Strengthens national strategies for primary health care in the Asian and Pacific Basin nations through cooperative action of academic institutions in the region.

936-5951 Child Survival Action Program Support - Supports research and training activities in biomedical technology and health services management.

936-5952 Applied Diarrheal Disease Research - Supports field research in developing countries aimed at improving the design and management of diarrheal disease control programs and coordinates A.I.D.'s diarrheal disease research.

Bureau For Program and Policy Coordination

930-0700 UN Children's Fund - Supports local private and voluntary organizations who immunize children and provide oral rehydration therapy.

EDUCATION AND HUMAN RESOURCES

Responsible Officer:

Nyle C Brady

NYLE C. BRADY
Senior Assistant Administrator
Bureau for Science and Technology

PROGRAM SUMMARY *(In millions of dollars)*		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
16.8 *	8.8 *	9.4 *

EDUCATION AND HUMAN RESOURCES

The centrally-funded Education and Human Resources program is designed to develop human resources in developing countries through improved educational systems and technology, participant training, development management and women in development programs. For FY 1987, A.I.D. requests $9.4 million for this centrally-funded program. This amount compares to funding levels of $16.8 million in FY 1985 and $8.8 million in FY 1986.

I. EDUCATION

OVERVIEW

Over the past twenty years, the less developed countries (LDCs) have made steady progress in providing educational opportunities for their citizens. Enrollments in primary schools have tripled. Governments continue to allocate substantial percentages of national budgets to education. Parents purchase books, uniforms, and writing materials. Local communities often build and maintain school buildings. These efforts alone give testimony to the tremendous desire for better education among people throughout the developing world, and in many cases testify to the usefulness of earlier A.I.D. efforts in this sector.

Despite these gains, serious problems still exist. Resources -- human, physical, and financial -- are used inefficiently in many LDCs. High dropout and grade repetition rates prevent children from attaining basic skills in reading and mathematics. Children in rural areas, the urban poor, and females have the least chance to go to school. The lack of access to education by females is particularly significant.

The implication of educational shortfalls are broad and profound. Basic literacy and numeracy are highly correlated with the success of development programs in agriculture, health, population, and nutrition. A dynamic private sector depends on a labor force with at least a primary education. As nations step more and more into the modern world, the poor educational base becomes a serious limiting factor.

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* Excludes centrally-funded Private and Voluntary Cooperation Program activities totalling $7.5 million in FY 1985, $1.4 million in FY 1986 and $1.0 million in FY 1987.

POLICIES

During the past two decades, most LDC educational assistance was for traditional secondary schools and professional education. The most important task now for virtually all developing countries is to improve school systems for children ages 6-14, and this has taken center stage in A.I.D.'s educational and human resources policy.

A.I.D. has experienced numerous successes over the years. In the area of large, sustained primary school curriculum reform, A.I.D. helped establish the African primary science program which has influenced curricula in most of Africa and continues as an active science education program for Africa without A.I.D. funding. In educational technology and development communications, A.I.D.-sponsored testing of radio as a cost-effective means of extending information for diverse populations and subjects has generated broad interest. A.I.D.-supported experimentation with both satellite and terrestrial telecommunications is helping to speed the exchange of development information and data among multiple participants.

For the education of children aged 6-14, A.I.D.'s policy stresses improvements in the quality and efficiency of existing school systems, rather than expansion of systems at their current level of inefficiency. Available evidence suggests that the capacity to provide six years of education for all children can be provided with an investment of 3% of GNP or less. Most LDCs currently invest 2 to 2.5% of GNP on education for the 6-14 age group. Thus, most LDCs already commit sufficient resources to provide most children with a basic education, if efficiency can be improved.

A.I.D.'s goal is, therefore, to improve LDC resource use by helping countries reduce grade repetition, lessen drop-out rates and extend efficient instructional systems into rural and remote areas. Over time, the focus on better resource use is expected to lead to greater access to education by the rural population, the poor and rural and urban female students.

A.I.D. policy guidance is provided in the policy statements on Basic Education and Technical Training and Development Communications.

DESCRIPTION OF PROGRAM

The centrally-funded education portfolio recognizes that developing countries are struggling with the need to educate increasing numbers of children with static or diminishing budgets. Existing education programs, at any level, are frequently low quality and do not contribute fully to the country's major development efforts. In all development sectors, the difficulties of reaching isolated and dispersed populations are hindering attempts to provide essential information and education about key programs. These problems are major and they exist in many of the countries that A.I.D. assists around the world.

Therefore, to respond to these pervasive and critical problems, the Office of Education focuses on three specific program areas:

--- education systems - concentrating on the methodologies necessary to improve analysis and data-based decision making so that scarce financial and human resources are used most efficiently;

--- educational technology - introducing and adapting technology to improve the quality of education and to extend it to large, dispersed populations;

--- development communications - keying on education problems in other development sectors, and ensuring that Agency programs benefit from new advances in communication technology.

1. Education Systems

Realizing that A.I.D. assistance can be most effective when applied on a sustained basis to the total education system rather than with separate components and that the focus should be on strengthening key institutional capacities, two major projects are currently underway to respond those needs.

The Improving the Efficiency of Education Systems II project (936-5823), which began in FY 1984, assists in upgrading the efficiency in primary education systems. It focuses on countries where the need is greatest. A.I.D. has completed education sector assessments in Niger, Somalia, Liberia, Botswana, Haiti, Indonesia and the Yemen Arab Republic. These assessments have proven highly valuable in bilateral policy dialogues and have stimulated important actions in improving host country education systems. In addition, the assessments have promoted donor collaboration in strengthening education and training systems of participating countries. In Somalia, the sector assessment has led the government to conduct a major review and reform of the civil service. This has resulted in a decision to discontinue guaranteed public employment to all secondary school graduates and the improvement of incentives for private sector development. Current project assistance focuses on improving institutional capacity for research, databased decision-making and planning, and relating education and training programs to job market needs, especially in the private sector. In Botswana, the education sector assessment led to a more cost-effective plan for junior secondary improvement during a period of expansion. In Haiti, the sector assessment led to a plan for strengthening assistance to private sector schools, which enroll most of the children. In Indonesia, conclusions of the sector review are forming the foundation of that nation's next five year plan for human resources development.

Through this project A.I.D. assists LDCs to better allocate their own resources and to:

-- improve educational planning through comprehensive sector assessments and assistance in policy development;

-- establish effective policies, and develop new approaches to achieving efficient education systems;

-- disseminate new methods of education systems management;

-- increase communication among participating country professionals; and

-- stimulate institutional changes.

This project is planned for ten years at a cost of $17 million. For FY 1987, A.I.D. is asking for $2.4 million.

Begun in FY 1985, the second major project, Basic Research and Implementation for Developing Education Systems (936-5824), develops computer planning models, based upon research on the four major educational variables: teachers, instructional materials, facilities and learning technologies, and carries out and compiles empirical research findings. The models are used to discuss with developing country policy makers alternatives for improving their educational systems that are realistic and affordable within the current resource constraints.

A.I.D. will also initiate a project on decentralization of education and community support of schools. The ability of local communities to take on responsibility for their children's education, so potent a force in a country's development, deserves further support as an LDC educational strategy. This activity will be a pilot effort based on ideas and examples examined in a FY 1986 worldwide survey of experience in this area, the first to be carried out.

2. Educational Technology

A.I.D. continues to experiment with a variety of learning technologies. Educational radio is a major component of this program area and has clearly demonstrated that it is a low-cost and effective method of upgrading education in the LDCs. Assessment of the radio math project in Nicaragua, implemented from 1973 to 1978, indicated that student achievement in radio-taught math classes was better than in a regular classroom. The radio math approach is now being adopted by Thailand with good results.

The Radio Community Basic Education project (936-5807) has reached thousands of children in the remote regions of the Dominican Republic where there are no schools. Materials for teaching English over the radio were the focus of the highly successful Radio Language Arts project (931-1017) in Kenya. The Radio Science project (936-5818), which began in FY 1984, creates a curriculum in primary school science and has a component that is designed to bring results of these earlier educational research and development efforts into wider use throughout the world.

The Educational Technology: Studies and Applications project (931-1109) provides technical assistance to LDCs planning or evaluating programs that have a communications component.

The Rural Satellite Program (936-5811), which began in FY 1979, assists LDCs to develop the institutional resources needed to use satellites in education. A project in Indonesia provides communication linkages among eleven scattered universities using Indonesia's own PALAPA satellite. Another activity uses a satellite to link the University of the West Indies' island campuses.

3. Development Communications

The Mass Media Health Practices project (931-1018), begun in FY 1978, develops and tests ways of using radio and other mass media coordinated with primary health care networks to support widespread adoption of proper health and nutritional practices. It has played a major role in the mass adoption of oral rehydration therapy by thousands of mothers in the developing world.

The FY 1985 Communication for Technology Transfer in Agriculture project (936-5826) applies the same communication techniques to the problem of promoting widescale adoption of new agricultural technologies. This project is working with five countries in Latin America and Africa: Peru, Honduras, Ecuador, Malawi and Swaziland.

The Development Communications Clearinghouse project (931-1231), begun in FY 1980, provides information worldwide on the use of communications to 6,000 LDC and U.S. development planners in education, agriculture and health.

II. HUMAN RESOURCES DEVELOPMENT

OVERVIEW

Within many LDCs, the lack of skilled local personnel in science, engineering, and management imposes severe constraints on development programs. Limited administrative and institutional capabilities are roadblocks to effective, equitable and sustained development.

Implementation problems are often caused by poor organization and management, as well as inadequate financial resources. In an era of reduced resources and slower growth rates, it becomes even more important to increase the effectiveness of management systems and to find institutional patterns that will create incentives for the productive use of human and material resources.

Knowledge of the roles of women in LDCs is often deficient. We have begun to understand the important roles women play in agriculture, marketing, management of the household, health and family planning. Legal and social constraints, however, severely reduce women's ability to contribute to or benefit from development. For instance, in most LDCs it is difficult for women to own land or get agricultural credit; yet, women are responsible for more than 60% of all agricultural work. Women also find it hard to gain access to new technologies or receive assistance from development institutions even though they play major social and economic roles in all developing countries.

POLICIES

Participant training in all sectors is an essential part of A.I.D.'s development strategy. A.I.D. policy encourages participant training for three purposes:

(1) staff development for A.I.D.-assisted projects;
(2) strengthening of key development institutions; and
(3) establishment of local training capacities.

Increased attention is being given to the type of education and training that may improve LDC institutional capabilities and ability to plan country specific training programs. Training may be short-term or long-term as needed.

In order to correct problems in development management, A.I.D. programs must address two purposes simultaneously: the need for organizational efficiency; and, the need to build capabilities for continued independent development. To facilitate these efforts, A.I.D. will provide specialists with expertise in organization and management. Particular attention will continue to be given to increasing or improving:

-- the skills of mid-level personnel to do their job;
-- national sectoral planning and implementation;
-- decentralized management and self-help, especially resource management; and
-- business management.

In order to address the needs of women in development, A.I.D.'s policy is to take into account the current and potential roles and needs of women in all of its projects. Within the LDCs, A.I.D. supports programs and institutions that specifically benefit women. In general, A.I.D. supports programs which increase the productivity of women and include women as equal participants in development. A.I.D. also supports research in areas where greater knowledge of gender roles in relation to development is needed.

DESCRIPTION OF PROGRAM

1. Participant Training [1]

Using funds from all accounts, A.I.D. provides training each year for over 12,500 participants in the United States and approximately 2,000 participants in developing countries. About 90% of the costs of carrying out participant training activities are borne by missions and regional bureau projects. In addition, approximately 600 participants from developing countries and A.I.D.-graduate countries are trained through the Reimbursable Training Program at no cost to the United States Government.

Within the Office of International Training, the central account provides funds for the Training Evaluation and Support Services project (926-0071) which includes support services for A.I.D. participants, such as port-of-entry reception, local community and on-campus hospitality services.

The Labor Organization Development project (938-0601) is also a centrally-funded project. A.I.D.'s policy is to strengthen the ability of labor unions to improve the economic status and welfare of workers in LDCs. Each year, this project provides short-term training for more than 100 union officials from a large number of A.I.D. countries.

A significant constraint to participant training is the inadequacy or absence of in-country English language training programs for A.I.D. participants. The English Language Training project (936-2005), which began in FY 1986, seeks to improve the quality and cost-effectiveness of English language training programs in LDCs. The life-of-project cost for this three year project is $1.7 million.

2. Development Management

The central program supports country and regional field projects by conducting research and development activities, supplying technical consultants, and disseminating information and research results. During the period 1982-1986, this program aided 35 countries in improving their development administration. The program focuses on:

-- local revenue and finance,
-- program and project management, and
-- management training.

The Performance Management project (936-5317), which began in FY 1982, provides technical consultants to advise governments how to improve organization and management of their development programs. Applied research to improve approaches to institutional development is also carried out under this project. In FY 1986, A.I.D. will provide field support to strengthen management training and agricultural research institutions. The project has provided short term management training in 10 Francophone countries and supported the work of business and public training institutions in Barbados, the Dominican Republic, Egypt, Paraguay, and Southern Africa. Project personnel also work in the Philippines, Thailand, and Indonesia to transfer management approaches that encourage local participation in rural development projects. In countries of the Sahel, improved methods of teaching and monitoring financial management have been introduced.

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[1] See Main Volume for a separate narrative on the Agency's Participant Training Program.

3. Women in Development [2]

The central account funds the Women in Development project which is carried out through three subprojects:

- The Technical Assistance and WID Centers subproject (930-0300) funds research, training, and technical assistance to enhance the integration of women into multi-sectoral development programs, especially those of private voluntary organizations and academic institutions. This subproject supports WID activities at Title XII universities and at such regional consortia as the Southwest Consortium for International Development and the Consortium for International Development. Other WID technical assistance activities are provided through A.I.D.'s regional and central bureaus and missions, PVOs, and academic institutions. These include a cooperative agreement with the International Center for Research on Women for the provision of a wide array of technical assistance in strengthening women's economic roles in mainstream Agency projects. Also, a grant to the International Marketing Institute provided training to women who are mid-level officials in banking, commerce and industry.

- The Strategies and Resources subproject (930-0100) compiles and analyzes statistics; commissions, publishes, and distributes studies and materials; holds seminars and briefings on WID topics; and exchanges information with other national and international agencies, organizations, and donors involved in the women in development effort. Under this subproject, the Bureau of the Census has published four regional handbooks and a statistical summary chartbook providing demographic data on women in 120 LDCs. This subproject also supports the Overseas Education Fund which provided training and technical assistance to local development organizations to enable them to design more effective programs for women.

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[2] See Main Volumn for a separate narrative on the Agency's Women in Development program.

-- The Women's Organizations and Participation subproject (930-0200) provides small grants to appropriate private and public organizations for implementing A.I.D. policy on women in development. In particular, it addresses the topics of income-generation, private sector development, agricultural development, technology transfer, and institutional development. Under this subproject, the Population Council provides programs, services, and training in income earning skills for low-income urban women.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-32

PROGRAM: CENTRALLY FUNDED - EDUCATION AND HUMAN RESOURCES

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
BUREAU FOR SCIENCE AND TECHNOLOGY											
OFFICE OF EDUCATION											
RADIO LANGUAGE ARTS	G 931-1017	79	85	4,171	4,161	4,161	4,013	---	148	---	---
STRUCTURING NFE RESOURCES	G 931-1054	79	86	7,700	5,790	5,740	5,454	50	336	---	---
EDUC TECH: STUDIES + APPLICATIONS	G 931-1109	77	89	8,601	8,601	5,330	4,728	400	600	500	600
DEVELOPMENT COMMUNICATIONS CLEARINGHOUSE	G 931-1231	80	89	2,760	2,760	1,749	1,625	250	275	250	275
LOCAL REVENUE GENERATION AND ADMINISTRAT	G 936-5303	79	87	630	880	630	630	---	---	250	50
RADIO COMMUNITY BASIC EDUCATION	G 936-5807	81	86	4,268	3,910	3,910	3,309	---	601	---	---
RURAL SATELLITE PROGRAM	G 936-5811	79	89	22,000	8,918	8,212	7,781	350	500	---	281
RADIO SCIENCE	G 936-5818	84	90	8,020	8,020	1,228	366	1,520	1,000	1,175	1,450
IMPROVING EFFICIENCY OF ED. SYSTEMS II	G 936-5823	84	96	17,000	17,000	3,200	1,500	2,400	2,325	2,400	2,300
RESEARCH IN EDUCATION PROGRAM	G 936-5824	85	89	7,000	7,000	868	---	459	950	900	1,200
COMMUNICATION FOR TECH TRANSFER IN AGR.	G 936-5826	85	90	7,295	7,295	200	---	250	200	200	200
TOTAL FOR PROGRAM				89,445	74,335	35,228	29,406	5,679	6,935	5,675	6,356
GRANTS				89,445	74,335	35,228	29,406	5,679	6,935	5,675	6,356
LOANS				---	---	---	---	---	---	---	---
RURAL AND INSTITUTIONAL DEVELOPMENT											
FIELD SERVICES AND PROGRAM DEVELOPMENT	G 931-1096	77	C	714	714	714	714	---	---	---	---
PERFORMANCE MANAGEMENT	G 936-5317 01	82	88	2,943	2,896	2,544	2,210	125	430	225	200

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*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - EDUCATION AND HUMAN RESOURCES

PROJECT TITLE	+ L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR PROGRAM				3,557	3,608	3,258	2,924	125	430	225	200
GRANTS				3,557	3,608	3,258	2,924	125	430	225	200
LOANS				---	---	---	---	---	---	---	---
OFFICE OF INTERNATIONAL TRAINING											
TRAINING EVAL AND SUPPORT SERVICES	G 926-0071.01	77	C	---	---	5,454	5,028	800	800	900	900
ENGLISH LANGUAGE TRAINING PROJECT	G 936-2005	86	88	---	1,700	---	---	500	500	600	600
LABOR ORGANIZATION DEVELOPMENT	G 938-0601	81	86	3,605	7,709	3,080	3,080	700	700	700	700
TOTAL FOR PROGRAM				3,605	9,409	8,534	8,108	2,000	2,000	2,200	2,200
GRANTS				3,605	9,409	8,534	8,108	2,000	2,000	2,200	2,200
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				96,607	87,352	47,020	40,438	7,800	9,365	8,100	8,756
GRANTS				96,607	87,352	47,020	40,438	7,800	9,365	8,100	8,756
LOANS				---	---	---	---	---	---	---	---
BUR. FOR PROGRAM AND POLICY COORDINATION											
SOCIO-ECONOMIC STUDIES AND ACTIVITIES	G 930-0022	77	C	---	---	1,166	434	300	150	300	200
WID STRATEGIES AND RESOURCES	G 930-0100	80	C	---	---	2,729	2,119	700	700	800	500
PEACE CORPS	G 930-0630	85	C	---	---	---	---	---	---	200	---
TOTAL FOR PROGRAM				---	---	3,895	2,553	1,000	850	1,300	700
GRANTS				---	---	3,895	2,553	1,000	850	1,300	700
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				---	---	3,895	2,553	1,000	850	1,300	700
GRANTS				---	---	3,895	2,553	1,000	850	1,300	700
LOANS				---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - EDUCATION AND HUMAN RESOURCES

CP 87-22

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT						96,607	87,352	50,915	42,991	8,800	10,215	9,400	9,456
GRANTS						96,607	87,352	50,915	42,991	8,800	10,215	9,400	9,456
LOANS						---	---	---	---	---	---	---	---

*Refer to the planned project summary sheet

[G] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

CENTRALLY FUNDED
EDUCATION AND HUMAN RESOURCES PROJECTS

Office of Education

931-1054 Structuring NFE Resources - Supports institutional development of non-formal education (NFE) service agencies and provides technical assistance to improve the educational offerings of NFE programs.

931-1109 Education Technology: Studies and Applications - Assists developing countries to use communication and educational technologies in education, health and agricultural development programs.

931-1231 Development Communication Clearinghouse - Provides developing countries with information and examples on the application of communications in education, health, agriculture and rural development programs.

936-5303 Local Revenue Generation and Administration - Stimulates the self-help capabilities of less developed countries by analyzing and improving their local and national revenue systems.

936-5807 Radio Community Basic Education - Uses radio and local paraprofessionals to provide primary school equivalency to rural children between ages seven and fourteen who do not have access to schools.

936-5811 Rural Satellite Program - Tests the cost-effectiveness of new communications satellite technologies for facilitating less developed country rural development and education programs.

936-5818 Radio Science - Uses radio to teach primary school science.

936-5823 Improving the Efficiency of Education Systems II - Builds host country capability to assess, plan, analyze, and implement education and training approaches which will increase the efficiency and effectiveness of less developed country education systems.

936-5824 Research in Education - Assists developing countries to carry out research on the financial, administrative and instructional aspects of education.

936-5826 Communication for Technology Transfer in Agriculture - Develops and tests instructional systems for transferring agricultural technology. Systems are based on information exchange among farmers, researchers, extension workers and on the integration of mass media with farmer contact systems.

Office of Rural and Institutional Development

931-1096 Field Services and Program Development - Provides short and long term assistance to less developed countries for program conceptualization, design, management and evaluation in the fields of rural development, development administration and institutional development.

936-5317 Performance Management - Provides management training to improve organizational performance and strengthen local management training and consulting institutions.

Office of International Training

926-0071 Training Evaluation and Support Services - Provide professional and support services such as port-of-entry services, arrival, orientation and mid-winter seminars to A.I.D.-sponsored participants.

936-2005 English Language Training Project - Improves the quality and cost-effectiveness of in-country English language training programs for A.I.D. participants.

938-0601 Labor Organization Development - Provides less developed country trade union leaders with motivational and other training that will help them develop labor policies and programs in collaboration with their governments.

Bureau for Program and Policy Coordination

930-0022 Socio-Economic Studies and Activities - Supports research on U.S. assistance policies and programs; areas of inquiry include the role of the private and public sectors in developing countries, price policies for public sector services, criteria for allocations of food assistance, and the relationship of energy cost to debt.

930-0100 WID Strategies and Resources - Facilitates the inclusion of women into A.I.D. assistance programs with technical assistance such as that drawn from U.S. university WID centers, and action-oriented, applied research to enhance employment and income earning opportunities for women in the developing countries.

930-0500 UN Voluntary Fund - Supports programs integrating women into LDC economic and social systems.

930-0600 Peace Corps - Supports small community-based development projects managed by Peace Corps volunteers. These projects deal with food production, primary health care, and small enterprise development.

SELECTED DEVELOPMENT ACTIVITIES

Responsible Officers:

Nyle C Brady

Dr. NYLE C. BRADY
Senior Assistant Administrator
Bureau for Science and Technology

Julia Chg Bloch.

JULIA CHANG BLOCH
Assistant Administrator
Bureau for Food for Peace
and Voluntary Assistance

PROGRAM SUMMARY (In millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
16.6 *	13.2 *	11.3 *

ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS AND SELECTED DEVELOPMENT ACTIVITIES (SDA)

OVERVIEW

The SDA account (Section 106 of the Foreign Assistance Act) is uniquely suited to addressing multisectoral development problems. It enables A.I.D. to leverage resources to deal with cross-cutting issues such as energy, forestry, environment, employment, private enterprise, and natural resource management. Other areas addressed are human rights, women in development, and urban and regional development.

The centrally funded Section 106 programs provide research and technical support for A.I.D.'s bilateral programs and test new approaches which, if proven successful, may be used widely to cope with development problems. These programs also support special training activities for personnel from developing countries.

Centrally funded Section 106 programs obligated $16.6 million in FY 1985, are estimated at $13.2 million for FY 1986, and are proposed at $11.3 million in FY 1987.

1. ENERGY

The centrally funded Section 106 energy program was $7.1 million in FY 1985, is estimated at $4.0 million in FY 1986, and proposed at $3.3 million for FY 1987. (The total proposed centrally funded energy program in FY 1987 is $6.0 million; the balance is funded under Section 103 of the Foreign Assistance Act.)

While energy problems appear to be abating in the United States, energy problems in developing countries are growing more severe. Several factors contribute to the continuing energy crisis in LDCs:

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* Excludes centrally funded Private and Voluntary Cooperation Program Activities totaling $14.6 million in FY 1985, $11.7 million in FY 1986 and $12.5 million in FY 1987.

- The demand for energy in LDCs is still growing rapidly. Between 1990 and 2000, the urban population of A.I.D.-assisted countries will grow by an average of more than 8 percent annually. This urban growth will require an 8-12 percent increase in fossil fuels annually; in fact, over 7 percent energy growth is needed for LDC economies to grow at a real per capita rate of 2 percent per year.

- Most of the demand for energy will be met by imported oil. Most A.I.D.-assisted countries rely on oil for 50 percent or more of their commercial energy requirements, but indigenous energy sources are not being developed. The pace of oil exploration is slow, fuel and power distribution systems are inadequate, and significant supply from alternative fuels requires long lead times. In most cases, therefore, oil imports are seen as the immediate answer to rising energy demand.

- High oil imports, however, will continue to add to LDCs' foreign exchange problem. Developing countries' foreign exchange is drained off to pay for imported energy, leaving little to pay for development investment. In 1984, for example, five A.I.D.-assisted countries spent over 40 percent of their foreign exchange earnings to pay for oil, nine countries spent between 20 percent and 40 percent, and only eight countries spent less than 20 percent. This drain, coupled with the serious debt crisis, leaves little for investment in agriculture, industrial development, and other critical development programs.

Without adequate attention to the energy problem, economic growth in the Third World will be stifled. It is well established that growth in per capita GNP and commercial energy consumption are inextricably linked. A.I.D.'s role is to help ensure an adequate energy supply to meet its goals in agriculture, rural development, health, and other areas. Through its energy activities, A.I.D. can help substitute indigenous energy sources for fuelwood and imported oil, introduce more efficient ways of using existing energy resources, and help countries make wise energy system choices and investment decisions. The central energy program supports the Agency's energy objectives by developing new approaches to energy problems through research and adaptation, applying these new approaches in LDC settings, and helping to formulate energy policy for the Agency.

The strategy for carrying out A.I.D.'s energy policy includes the following:

A. Energy Analysis, Planning, Policy Development and Conservation

Access to energy is clearly important to economic development, but LDCs frequently lack sufficient knowledge about their energy resources and needs to make the required energy development decisions. A growing number of LDCs have begun more comprehensive analyses of their energy requirements, formulation of national policies, and creation of planning institutions. Most LDCs, however, do not have the in-country expertise to generate and maintain such activities. Energy survey and planning methods particularly suited to developing countries are provided through the Energy Policy Development and Conservation (EPDAC) project (936-5728). Proposed FY 1987 funding is $1.1 million from this account and $.600 million from Section 103 funds to support sectoral energy analysis in selected countries and short-term technical assistance in energy planning and policy development. Research will continue in such areas as the effects of energy prices and supply on economic development and the linkages between energy and agricultural productivity. The Energy Conservation Services Program, a part of EPDAC, is assisting the government of Pakistan in the identification of energy conservation opportunities and overall development of a national energy conservation program.

B. Technical Assistance

A.I.D. offers technical assistance to improve exploitation of deposits of oil, gas and coal. The Conventional Energy Technical Assistance project (936-5724) has assisted Morocco, Sudan, Pakistan, Costa Rica, Kenya, and the Philippines in assessing potential fossil fuel resources and planning their management and use. This program also helps to strengthen geological and geophysical institutions involved in this work and facilitates LDC access to fossil energy production technologies and capital financing from multilateral and private sources. Previous centrally funded energy technical assistance efforts in Morocco led to the development of bilaterally funded activities in energy policy and management planning. These efforts have also increased the ability of the Moroccan government to explore and exploit the country's considerable natural gas resources. More recently, a worldwide program of activities was launched to test the feasibility of smokeless briquetted fuels made from coal to replace fuelwood and kerosene in domestic and commercial uses. Haiti was the first country test. A sample of indigenous coal from Haiti is being evaluated at the University of North Dakota Energy Research Center to establish feasibility, assess environmental and health impacts, and production processes. Simultaneously, Haitian domestic market characteristics are being established. Funding for this project is proposed at $1.0 million in FY 1987.

C. Training

The lack of trained personnel is a major limitation to effective management of energy activities in LDCs. Training will continue to be conducted in A.I.D.'s central energy program under the Conventional Energy Training project (936-9997). Participants come from both public and private institutions. Emphasis is given to short-term or on-the-job training through internships with U.S. oil companies, utilities, mining enterprises, seismic and drilling companies, and research institutions. Training is tailored to meet individual participant and country needs and can last from a few months to two years. The FY 1987 training program will help assess developing countries' manpower needs in the energy sector and train participants in the scientific, engineering, managerial, and planning skills necessary to develop and manage energy resources and technologies. Proposed FY 1987 funding is $1.1 million from this account and $.400 from Section 103 funds.

2. FORESTRY, ENVIRONMENT AND NATURAL RESOURCES

The centrally funded section 106 Forestry, Environment, and Natural Resources program was $1.3 million in FY 1985, is estimated at $.855 million in FY 1986, and proposed at $1.0 million for FY 1987.

A.I.D.'s policy is to assist LDCs to protect their environment and natural resources. The Agency helps LDCs to build their institutional and scientific abilities to identify, assess, manage, conserve, and use their natural resources to sustain economic development. The Environmental Planning and Management project (936-5517), which is linked to other projects discussed in the Food and Nutrition account portion of this document, addresses these problems.

This project continues to provide advisory services to developing country institutions, both government and non-governmental, to improve their capacity to manage their renewable natural resources. There are four major areas of focus: assisting in the planning and preparation of country environmental profiles, national conservation strategies or similar planning processes; building the institutional capacity of indigenous non-governmental environmental groups to encourage greater public participation in national planning; studying relationships between natural systems and agriculture; and investigating techniques to analyze complex natural systems as a tool for development planning.

Profile planning was undertaken in Bolivia, Paraguay, Jamaica, and Haiti. National conservation strategies were initiated in Nepal, Sri Lanka, and the Philippines. Planning for an agro-ecosystem workshop is underway in the Philippines and assistance for a fragile lands assessment was provided for Bolivia. Technical advisory services were provided to non-governmental environmental organizations in Honduras and Turkey. A simulation model of a complex river basin development program was developed as a tool for better integrated planning in Africa. The proposed FY 1987 funding is $1.0 million.

3. RURAL AND INSTITUTIONAL DEVELOPMENT THROUGH NON-FARM EMPLOYMENT AND SMALL AND MEDIUM ENTERPRISES

The centrally funded section 106 rural and institutional development program was $.895 million in FY 1985, is estimated at $.775 million in FY 1986, and proposed at $.600 million in FY 1987.

Rural and institutional development projects focus on increasing productivity, incomes and food production among rural families through changes in institutions and policies and the adaptation of new technologies. These activities include projects to increase non-farm employment and develop small/medium enterprises. These projects are linked to other central program activities funded and discussed under the appropriate accounts.

a. Employment. Most LDC policies are biased against small-scale enterprise, labor-intensive production, and activities in rural areas. The Employment and Enterprise Policy Analysis project (936-5426) provides assistance to LDCs in analyzing the employment and industrial effects of such policies. For example, the effects of policy reforms in tariffs and foreign exchange rates in Somalia, investment incentives in Rwanda, and financial and trade policies in the Dominican Republic have been analyzed. The results of these analyses should encourage LDC decision-makers to implement policy changes that will diversify and increase non-traditional employment opportunities. Proposed FY 1987 funding is $.295 million.

b. Small and Medium Enterprises. The Small Enterprise Approaches to Employment project (931-1090) will begin a new initiative in FY 1986 to provide research and technical assistance in support of LDC projects that focus on employment generation in the informal sector and micro-enterprises. Assistance will be delivered in the form of training and provision of technical materials to private voluntary and host country non-government organizations, such as banks, productivity centers, and other private/public sector enterprise support organizations. Proposed FY 1987 funding is $.305 million.

4. OTHER ACTIVITIES

The principal A.I.D. information effort is the continuing Information as a Tool in Development project (930-0232). Using computerized information storage and retrieval, this project processes A.I.D. technical reports and program documents and disseminates them to a worldwide audience of development professionals and institutions. Proposed funding is $1.6 million for FY 1987.

The Program Development and Support project (936-1406) funds special studies and small exploratory activities that have future potential in A.I.D.'s development assistance efforts. Examples of these activities include small grants to support collaborative research between U.S. and Indian scientists, to develop a World Resources Report, and to contribute to conferences on Small-Scale Enterprise and Micro-Enterprise Finance. The proposed FY 1987 funding level is $.400 million.

A number of ongoing centrally-managed projects support research and technical assistance on the multisectoral development issues covered by this account. The Integrated Studies and Systems project (930-0085) supports evaluations of the impact of A.I.D.'s development activities. The Title IX

Program (930-0023) promotes broader, more equitable participation in development. The Socio-Economic Studies and Activities project (930-0022) researches information on development issues and new approaches to policy making and program selection. The WID Strategies and Resources project (930-0100) facilitates the inclusion of women into assistance programs. The proposed FY 1987 funding level for these activities is $3.4 million.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUREAU FOR SCIENCE AND TECHNOLOGY												
RURAL AND INSTITUTIONAL DEVELOPMENT												
SMALL ENTERPRISE APPROCHES TO EMPLOYMENT	G	931-1090	78	90	4,009	4,009	2,808	2,462	300	400	305	400
MANAGING ENERGY/RES. EFFICIENT CITIES	G	930-5402	82	86	1,530	1,650	1,477	1,271	150	172	---	207
EMPLOYMENT AND ENTERPRISE POLICY ANALYSI	G	936-5426	84	88	1,250	1,696	1,076	125	325	500	295	500
TOTAL FOR PROGRAM					6,789	7,355	5,361	3,978	775	1,072	600	1,107
GRANTS					6,789	7,355	5,361	3,978	775	1,072	600	1,107
LOANS					---	---	---	---	---	---	---	---
OFFICE OF ENERGY												
ENERGY TECHNICAL SERVICE SUPPORT	G	936-5702	78	C	---	---	1,782	1,712	150	170	100	125
CONVENTIONAL ENERGY TECHNICAL ASST	G	936-5724	80	87	15,250	15,250	10,805	8,722	950	2,334	1,000	1,300
ENERGY POLICY DEV AND CONSERVATION	G	936-5723	82	87	7,600	14,100	6,138	4,786	1,300	2,148	1,100	1,300
CONVENTIONAL ENERGY TRAINING	G	936-9997	81	86	14,000	16,525	11,079	9,086	1,600	2,493	1,100	1,900
TOTAL FOR PROGRAM					36,850	45,875	29,804	24,306	4,000	7,145	3,300	4,625
GRANTS					36,850	45,875	29,804	24,306	4,000	7,145	3,300	4,625
LOANS					---	---	---	---	---	---	---	---
OFFICE OF FORESTRY AND ENVR NAT RES												
ENVR NATURAL RESOURCES EXP INFO BASE	G	931-1209	79	85	3,100	3,100	3,100	2,727	---	373	---	---
ENVIRONMENTAL PLANNING AND MANAGEMENT	G	936-5517	82	88	6,115	6,115	2,513	1,584	855	850	1,000	850
FOREST RESOURCES MANAGEMENT	G	936-5519	80	89	---	---	1,670	1,644	---	---	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

CP 87-02

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR PROGRAM				9,215	9,215	7,283	5,955	855	1,223	1,000	850
GRANTS				9,215	9,215	7,283	5,955	855	1,223	1,000	850
LOANS				---	---	---	---	---	---	---	---
OFICE OF RESEARCH AND UNIVERSITY RELATIO											
PROJECT REVIEW	G 936-5052	84	C	---	---	525	168	140	75	---	350
TOTAL FOR PROGRAM				---	---	525	168	140	75	---	350
GRANTS				---	---	525	168	140	75	---	350
LOANS				---	---	---	---	---	---	---	---
PROGRAM OFFICE											
PROGRAM DEVELOPMENT AND SUPPORT	G 936-1406	72	C	---	---	3,653	2,374	775	775	400	400
TOTAL FOR PROGRAM				---	---	3,653	2,374	775	775	400	400
GRANTS				---	---	3,653	2,374	775	775	400	400
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				52,854	62,445	46,626	36,681	6,545	10,290	5,300	7,332
GRANTS				52,854	62,445	46,626	36,681	6,545	10,290	5,300	7,332
LOANS				---	---	---	---	---	---	---	---
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
PROGRAM POLICY AND EVALUATION											
FVA PROGRAM DEVELOPMENT AND EVALUATION	G 938-0800	82	C	---	---	1,625	1,169	500	625	500	600
TOTAL FOR PROGRAM				---	---	1,625	1,169	500	625	500	600
GRANTS				---	---	1,625	1,169	500	625	500	600
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				---	---	1,625	1,169	500	625	500	600
GRANTS				---	---	1,625	1,169	500	625	500	600
LOANS				---	---	---	---	---	---	---	---

BUR. FOR PROGRAM AND POLICY COORDINATION

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SOCIO-ECONOMIC STUDIES AND ACTIVITIES	G	930-0022	80	C	---	---	3,475	2,484	1,750	1,220	1,425	1,270
TITLE IX PROGRAM	G	930-0023	78	C	---	---	1,313	867	400	300	400	300
INTEGRATED STUDIES AND SYSTEMS	G	930-0085	80	C	---	---	4,852	4,076	1,185	1,098	1,200	800
WID STRATEGIES AND RESOURCES	G	930-0100	80	C	---	---	6,091	5,049	490	350	400	200
INFORMATION AS A TOOL IN DEVELOPMENT	G	930-0232	76	C	---	---	5,183	4,155	1,815	1,605	1,575	1,200
PEACE CORPS	G	930-0600	85	C	---	---	---	---	560	450	500	450
SURVEYS AND EVALUATION SUPPORT	G	930-2256	81	C	---	---	1,477	1,477	---	---	---	---
TOTAL FOR PROGRAM					---	---	22,391	18,108	6,200	5,023	5,500	4,220
GRANTS					---	---	22,391	18,108	6,200	5,023	5,500	4,220
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					---	---	22,391	18,108	6,200	5,023	5,500	4,220
GRANTS					---	---	22,391	18,108	6,200	5,023	5,500	4,220
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT					52,854	62,445	70,642	55,958	13,245	15,938	11,300	12,152
GRANTS					52,854	62,445	70,642	55,958	13,245	15,938	11,300	12,152
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

CENTRALLY FUNDED
SELECTED DEVELOPMENT ACTIVITIES

Office of Rural and Institutional Development

931-1090 Small Enterprise Approaches to Employment - Identifies approaches and designs programs to improve employment opportunities, productivity and enterprise viability in the non-farm, small enterprise sector.

936-5402 Managing Energy Resource Efficient Cities - Adapts, tests and promotes energy and resource conserving approaches for rapidly growing small and medium sized cities. A key to the project is a highly participatory management system in which problems are solved collaboratively by local officials, private sector representatives and citizens.

936-5426 Employment and Enterprise Policy Analysis - Reviews, modifies and designs employment and enterprise policies to eliminate biases against small and medium scale enterprises.

Office of Energy

936-5702 Energy Technical Service Support - Provides short-term professional, scientific and technical consultants to less developed country governments for energy program planning, needs assessment and technology application.

936-5724 Conventional Energy Technical Assistance - Assists less developed countries identify and evaluate indigenous conventional energy resources, and to develop and use them in a way that reduces the importation of petroleum.

936-5728 Energy Policy Development and Conservation - Assists less developed countries develop institutions, personnel, and processes capable of effective energy policy-making; provides assistance for the design of specific policies, programs and investments needed to relieve energy problems and to achieve improvements in the efficiency of energy use.

936-9997 Conventional Energy Training - Trains less developed country nationals in scientific, engineering, planning and managerial skills necessary to develop and manage conventional energy activities.

Office of Forestry and Environmental and Natural Resources

931-1209 Environment and Natural Resources: Expanded Information Base - Provides scientific and technical information on environmental and natural resources management to less developed country institutions.

936-5517 Environmental Planning and Management - Provides short-to-medium term advisory services to less developed countries, conducts a pilot activity to develop a national conservation strategy in a selectsd less developed country, and disseminates analyses of less developed country environmental issues in order to strengthen less developed country institutional capacity to better manage and conserve their natural resources.

936-5519 Forest Resources Management - Supplies forestry technical assistance services to less developed countries and promotes and demonstrates institutional approaches and technical methodologies in village level community forestry and agroforestry projects.

Research and University Relations

936-5052 Project Review - Provides assistance in evaluating on-going projects, the development of new projects, the selection and review of new research proposals.

Program Office

936-1406 Program Development and Support - Provides technical expertise, goods and services to improve program development, project design, implementation and evaluation of less developed country programs.

Bureau For Food For Peace and USC Voluntary Assistance

938-0800 FVA Program Development and Evaluation - To provide the technical expertise and auxiliary services needed to develop and evaluate FFP and PVO-related programs, to improve the planning and implementation of on-going programs, and to undertake studies and analyses on which to base program strategies and designs.

Bureau for Program and Policy Coordination

930-0022 Socio-Economic Studies and Activities - Supports research on U.S. assistance policies and programs; areas of inquiry include the role of the private and public sectors in developing countries, price policies for public sector services, criteria for allocations of food assistance, and the relationship of energy cost to debt.

930-0023 Title IX Program - Promotes broader, more equitable participation in development with technical assistance provided to increase adherence to civil and political rights to strengthen legal systems, to encourage electoral reform, and to educate individuals in their rights to and responsibilities for protection under fundamental principles of law.

930-0085 Integrated Studies and System - Provides for comprehensive evaluations of assistance programs in areas of significant topical interest and development expenditure such as an appraisal of assistance projects in the agriculture services sector, and assists developing countries in their evaluation of project progress.

930-0100 WID Strategies and Resources - Facilitates the inclusion of women into A.I.D. assistance programs with technical assistance such as that drawn from U.S. university WID centers, and action-oriented, applied research to enhance employment and income earning opportunities for women in the developing countries.

930-0232 Information as a Tool in Development - Selects, collects, retrieves and transfers technical, program and project information generated by LDC institutions, PVOs, other U.S. agencies, national and international development organizations (World Bank, FAO), and A.I.D. to the developing countries; and, supports outreach programs in the LDCs with awareness journals, and technical assistance on information programs such as library and information network development.

930-0600 Peace Corps - Supports small community-based development projects managed by Peace Corps Volunteers. These projects deal with food production, primary health care and small enterprise development.

930-2256 Surveys and Evaluation Support - Provides technical assistance to governments of developing countries to make substantive improvements to and better use of their statistical information base.

BUREAU FOR PRIVATE ENTERPRISE

Responsible Officer:

Neal Peden

NEAL PEDEN
Assistant Administrator
Bureau for Private Enterprise

PROGRAM SUMMARY *(In millions of dollars)*		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
42.257	40.760*	42.000**

BUREAU FOR PRIVATE ENTERPRISE

OVERVIEW

The fundamental objective of the Bureau for Private Enterprise (PRE) is to build Agency and Mission capacity to foster market and private enterprise based solutions to development problems.

This emphasis on development through private enterprise does not mean a lessened attention to the vital new technologies which A.I.D., as part of the international development community, is helping to develop in agriculture, health and population, nor does it supplement other "humanitarian" or shorter term emergency needs. It does mean that new programming approaches concerning, for example, divestiture and privatization, financial markets, and small-scale enterprises, must be developed to permit the spread of the new technologies on a more cost-effective private sector basis, and effect long-term solutions to development problems. While the PRE focus is pragmatic in nature, linkages to the broader research community and short-term interventions will continue to be important.

There are fundamental differences in the cultural legacies, resource endowments, and political systems among the nations of the Third World. A "cookbook" approach to private enterprise as a mechanism of change is of little practical value. To be successful in the private sector area, as in any other, A.I.D. and its overseas Missions must commit themselves to the process of building empirically-based programs directed to the situation in individual host countries.

New conceptual insights and analytical capabilities, new programming and project design techniques, and new forms of support from A.I.D. will be crucial to helping A.I.D. Missions meet the challenge of introducing market and private enterprise based approaches.

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*Excludes $389,000 of deobligated funds to be reobligated in FY 1986.

**PRE Bureau request which includes budget request of $6.5 million for the PRE Bureau's support of the Office of Housing and Urban Programs (PRE/H). Does not include PRE/H $10 million request for the Housing Guaranty Program Reserve Fund.

EVOLUTION OF STRATEGY

PRE began operating in 1981 on the premise that, although expansion of private enterprise was desired in many developing countries, essential ingredients for allowing such growth--such as accessible capital markets, free market economies, and manufacturing and finance expertise--were absent.

Since its creation, the Bureau's activities have been focused on improving the business climate, strengthening financial structures and capital markets, transferring technology, providing training, and increasing developing countries' exports.

The Bureau for Private Enterprise, through its program and project portfolio, its Mission support activities, and the Private Sector Revolving Fund, will continue to provide support for the establishment and growth of indigenous private enterprises in less developed countries as a cost effective means of achieving broad based, self-sustaining economic growth and development. United States and developing country private business resources can make a vital contribution to development through job creation, increased productivity, transfer of technology and management expertise, and the generation of additional and diversified products to meet internal demand and expand export earnings. Host country policies and laws, however, must be supportive of the indigenous private sector in order for the benefits of private enterprise to be realized throughout the host country economy.

There are many constraints to LDC private enterprise development and growth. With limited resources, the Bureau for Private Enterprise focuses on those constraints that most adversely affect private enterprise development in areas appropriate for A.I.D. involvement, and in which the Bureau feels A.I.D. can make a substantial contribution by working with or through private enterprise. The Bureau's Revolving Fund loan projects serve as models for innovative financing directly with LDC private enterprises for other loans in A.I.D. while contributing to private enterprise development in LDCs. As the Agency's focal point for promoting LDC economic growth and development through private enterprise mechanisms, the Bureau for Private Enterprise works closely with regional Bureaus and country Missions to help develop strategies and programs which will incorporate private enterprise initiatives into USAID Mission development programs. The Bureau helps assure that Missions consider private enterprise mechanisms as alternatives for delivering economic assistance while at the same time achieving basic human needs objectives. Through the Private Sector Revolving Fund, the Bureau negotiates and manages a loan portfolio which is directed toward expanding the private sector in host countries. The overall program is designed to reinforce the congressional mandate to help improve the lives of the poor majority in A.I.D. assisted countries through increased income and employment opportunities made possible by new business activities.

LONG TERM OBJECTIVES

PRE's long term strategic objectives include:

o Building a strong capacity to support Missions in private sector strategy development, financial markets development and privatization.

o Working closely with other A.I.D. Bureaus to build and apply broader knowledge in the areas of the "informal sector" and entrepreneurship.

o Improving the standard of living for the urban poor through flexible, innovative shelter infrastructure financing, technical assistance and training.

o Building a set of policy analysis and programming techniques which recognize and strengthen the role of urban development in national development, and exploit the relationship between urban and private sector development.

o Establishing the Private Sector Revolving Fund as a financially sound, self-sustaining development resource for A.I.D. investments in private enterprise.

ORGANIZATION & IMPLEMENTATION

The Bureau for Private Enterprise consists of three major offices, one of which - the Office of Housing and Urban Programs (PRE/H) - has been an operating unit within A.I.D. for some time and was transfered to PRE when the Bureau was established.* The other two offices are Investments, and Policy and Program Review. These two offices are responsible for developing, managing and evaluating new private enterprise programs and projects in response to the Administration's private enterprise initiative.

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*A separate detailed narrative description of the PRE/H program may be found in the Main Volume.

Specific activities are:

1. Office of Investment (PRE/I)

This office is responsible for managing the Private Sector Revolving Fund (RF) and certain other non-RF loan projects.

PRE/I identifies potential investment (loan) opportunities for RF resources, structures and negotiates the required financing with the private sector principals, and manages the RF investment in the project. Investments sometimes require limited short-term grant resources for feasibility analyses or to provide technical assistance in the strengthening of the borrower's institutional capabilities. Limited funds for this purpose will be occasionally provided from the PRE Investment Development and Packaging project (940-0002) or, if necessary, the Program Development and Support Project (940-0001) (See page 24). The PRE/I office also identifies opportunities for, and develops and manages projects implemented under, the Productive Credit Guaranty Program (PCGP - Section 222A of the FAA). This office focuses largely on innovative projects which, if successful, may have replication potential.

In FY 1984 and FY 1985 other agency priorities, and a slower than anticipated build-up in the capacity of PRE's Investment Office to utilize the full funding, overtook the planned allocation of $40 million to the Revolving Fund. As a result, the Administration is requesting $13.5 million in FY 1987 to bring the total capitalization of the Fund to $60 million as originally planned. In addition, PRE believes strongly, on the basis of experience during the past several years, that the Revolving Fund should be built to an operating level of $100 million as contemplated by Congress. This will make possible an annual lending program of $15 to $20 million which is judged essential to achieve the goals of the Revolving Fund, and to carry out a meaningful program of 5 to 7 new loans during each fiscal year. Starting in FY 1990, reflows from the Revolving Fund lending program should be between $10 and $15 million — sufficient to permit the operation of a sound program on a self-sustaining basis. In order to stablize Fund operations in the interim, alternative supplemental funding sources will have to be sought to be able to achieve the development impact goals as they were originally conceived.

PRE/I's $14.4 million budget request for FY 1987 is as follows:

Program Activity	($000s) Funding
Revolving Fund	$ 13,500 (L)
Investment Development and Packaging	$ 900 (G)
TOTAL	$ 14,400

2. Office of Policy and Program Review (PRE/PPR)

PRE/PPR serves as the central clearing house for all programs and projects undertaken by PRE. It is responsible for the design, development and implementation of strategies and policies to encourage programs and projects that strengthen the role of private enterprise in developing countries. Additional responsibilities include Bureau budgeting and evaluation.

The office is also responsible for providing Mission support and developing projects which encourage and support the development and expansion of private enterprise in developing countries. The primary focus is on assisting Missions in private enterprise strategy development, efforts in divestiture and privatization, financial markets development, training and small business development. This office also manages the grant funded cooperative program as well as other grant programs (e.g., International Executive Service Corps).

PRE/PPR's budget request of $21.1 Million for FY 1987 is broken down as follows:

Program Activity	(000s) Funding
Program Development and Mission Support	$ 2,100
Private Enterprise Development Strategy & Support	$ 500
Financial Market Development	$ 840
Divestiture & Privatization	$ 3,500
Commercialization of Technology	$ 1,500
Training Development	$ 500
International Executive Service Corps (IESC)	$ 5,760
Cooperatives and Business Development	$ 6,000
Evaluation	$ 400
TOTAL	$21,100 (G)

3. Office of Housing and Urban Programs (PRE/H):

The Office of Housing and Urban Programs (PRE/H) has primary responsibility for A.I.D.'s urban and shelter policy and programs and for addressing major urban issues in developing countries. PRE/H administers the Housing Guaranty (HG) Program which was developed in the early 1960s as part of the U.S. foreign assistance effort to respond to the rapidly mounting worldwide shortage of adequate shelter.*

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*A more detailed discussion of the Housing Guarantee Program may be found in the other Programs section of the Main Volume.

The total program is administered by a staff consisting of housing and urban development advisors, attorneys, financial management specialists and administrative support personnel. There are regional offices in Nairobi, Kenya; Abidjan, Ivory Coast; Tunis, Tunisia; Panama City, Panama; Bangkok, Thailand; Kingston, Jamaica; and Tegucigalpa, Honduras. These regional offices provide assistance to A.I.D. missions in addressing the urbanization process now under way in LDCs, with its massive requirements for land, jobs, shelter, infrastructure, and facilities to service the existing and future urban populations (expected to be a majority of the total LDC population by the year 2000).

The program budget request of $6.5 Million for FY 1987 is distributed as follows:

Program Activity		($000's) Funding
Housing the Urban Poor	(G)	$ 1,500
Urban Development Support Services	(G)	$ 1,500
Project Development and Support	(G)	$ 1,000
Shelter and Urban Development Training	(G)	$ 1,500
The Development of Secondary Towns	(G)	$ 1,000
		$ 6,500

In FY 1987, the Bureau for Private Enterprise requests $6.5 Million for activities to be supported by the four offices described above. All activities are consistent with and strongly supportive of the Bureau's charter to promote the establishment and growth of host country private enterprise and related initiatives, as a means to achieve A.I.D.'s basic human needs objectives.

Specific program activities of the three PRE Bureau offices described above are outlined in more detail below.

1. Office of Investment (PRE/I)

The Office of Investment manages the Private Sector Revolving Fund, providing financing to private enterprises in selected developing countries. In conjunction with the Offices of Project Development and Program Review, it provides assistance to host countries interested in developing stronger capital market systems and related institutions.

1.1 940-0002 - Revolving Fund ($13.5 Million loan): FY 1987 will bring the fourth tranche of appropriated funds to the Revolving Fund. PRE/I will focus its Revolving Fund investments, and Program Development and Support Project (940-0001) funded feasibility analyses and technical studies, and institution-building grants in three principal areas:

(i) The capitalization or expansion of financial intermediaries, including export trading companies, and as a way of providing needed financing and other services required by small and micro-enterprises;

(ii) Agribusinesses which add value to agricultural produce for export and which bring technical assistance, production inputs, credit and marketing services to small growers; and

(iii) Funds established in intermediate institutions to capitalize new business starts including technology-related venture start-ups resulting in the transfer, adaptation and commercialization of technology for the manufacture and marketing of a new product or process in a developing country. This focus will include agribusiness (e.g., mineral supplements in animal feed) and health technologies, and experimental work on developing leasing and research and development (R&D) and limited partnerships.

1.2 940-2002 - Investment Development & Packaging ($900,000 grant): To assist in the identification and development of investment opportunities, PRE/I will manage a pool of resources for the funding of feasibility analyses and other technical studies required to decide upon potential investment in a given business opportunity, and to provide limited technical assistance for strengthening a borrower's institutional capacity.

2. Office of Policy and Program Review (PRE/PPR)($21.1 Million):

This office has responsibility for: (i) developing new projects which may assist USAID Missions in incorporating private enterprise in development, (ii) providing technical support to Missions and, through Missions, to host governments in the development of strategies, programs and projects which enhance LDC private enterprise development, (iii) management of the Agency's cooperative and credit union support program, and other selected grant activities, and (iv) undertaking experimental activities of potential benefit and replicability in promoting the private enterprise initiative.

The office is also responsible for evaluation and strategy/policy development and the support for new initiative development.

Policy Dialogue and Change: During FY 1987 the Bureau will focus its efforts on several areas related to the policy dialogue agenda which the Agency has in any given country. The subject will be specifically addressed in projects on Private Enterprise Strategy and Support, Financial Markets and Divestiture and Privatization.

(i) 940-0001 - Program Development and Support ($2.1 Million): Through these activities, the Bureau provides considerable program development and problem solving assistance to USAID Missions, host country governments, and LDC private businesses and business entities. Such support is provided by PRE staff and business experts. Specific project activities tend to be of a short-term nature (i.e., four to six weeks duration) to address and help resolve specific design issues or management/technical problems in project implementation).

This funding will also support overall PRE operations by providing resources for improved management, programming and policy decisions. This may include work related to improving the PRE management information system as it relates to both budgeting and evaluation. The objective is to improve capacity and capability for more informed management decisions within the Bureau. Allocations from this project will be made to PRE/I for support activities as earlier discussed.

(ii) 940-2028 - Private Enterprise Development Strategy and Support ($500,000):

Implementation of this project began in FY 1986. The objectives of this project are:

- full integration of the private enterprise initiative into the U.S. foreign assistance program.
- continued development, testing and promulgation of novel approaches for implementing the private enterprise initiative.
- increased capacity in PRE to serve as a strong technical resource for the Agency.
- development of an understanding of the effectiveness and lessons of work carried out to date under the private enterprise initiative, and the synthesis of information on past experience into operational guidance for future work by PRE and other A.I.D. bureaus.
- expanding the community of professionals whose blend of development and private enterprise experience are appropriate to and adequate for achieving the objectives of A.I.D.'s private enterprise initiative.

The development of innovative mechanisms and approaches by the PRE bureau continues to be an important A.I.D. objective. This objective is linked to a recognition of the need to stimulate efforts within A.I.D.'s overseas missions to adopt new mechanisms and to be innovative within the unique context of each developing country. For the initiative to succeed, A.I.D.'s missions must begin to design and implement programs and projects which stimulate host country private enterprise. This project is intended to encourage USAID Missions, based on PRE's successful experiments, to think strategically, concerning the private sector, and to channel their resources through private sector mechanisms.

(iii)940-2005 - Financial Markets Development ($840,000): Today, as throughout much of the last 50-100 years, most financial markets developments have emanated from the United States. Successful capital market development--improving savings mobilization, more effectively channelling such resources into productive investment, and improving the investment climate and prospective investment returns -- is critical to A.I.D.'s and PRE's efforts to encourage private sector-oriented economic growth.

The ultimate purpose of this project is to achieve practical, concrete improvements in the functioning of capital markets overseas. To the extent we can achieve this end, substantial benefits will accrue to all citizens through employment creation, increased exports, and lower prices, resulting from investments in more productive technology.

Although this is a new project, with implementation beginning in FY 1986, USAID Mission interest in procuring the technical assistance offerred, as expressed in cable communications, has been voluminous indicating the need and timeliness of this undertaking.

(iv)940-0008 - Divestiture and Privatization ($3.5 Million): The goal of this project is to assist in creating a policy climate to accelerate privatization efforts now under way in various countries, and in response to consumer demand, to promote the expansion of profitable small- and medium-sized enterprises. Project objectives are (a) to increase the frequency and success of privatization endeavors by enhancing the ability of governments to carry out such efforts; (b) to increase the store of in-house knowledge within the Bureau for Private Enterprise and individual USAID Missions about the issues involved; (c) to enhance A.I.D.'s capabilities in the preparation of privatization strategies, policies, and tactics; (d) to provide motivating and catalytic ingredients to developing country government policies and actions.

Components of the project include the provision of technical expertise needed by USAID Missions for preparing country and sector-specific divestiture and privatization strategies; developing a list of components of a policy dialogue with host country public and private sector leaders; implementing divestiture and privatization actions in selected countries, including sector-specific micro- and macroeconomic analyses; designing, implementing, and evaluating a number of divestiture privatization projects; and analyzing the economic, financial, and technological systems and programs of a number of state-owned enterprises deemed to be candidates for divestiture and/or privatization.

As a follow-on, this project will be expanded by the development of a privatization fund which will be selectively used to support specific divestiture and privatization efforts in LDCs.

(v) 940-2029 - Transfer, Adaptation and Commercialization of Technology ($1.5 Million): This project supports selected activities which may include assistance in the establishment of venture funds for technology-related investments in A.I.D. targeted sectors, LDC market testing of new or adapted products or processes, and assistance in the initiation of R&D limited partnerships. The Program for the Advancement of Commercial Technology (PACT), starting in FY 1986 under this project, is an experimental program which involves the collaboration of U.S. and Indian business firms in applying basic research, already at the idea and laboratory stage, to the development of products and processes that will succeed in the market place. The collaborative nature of this program to accelerate development of the private sector in India includes both finance and risk sharing.

(vi)940-2038 Training Development ($500,000): In this area, PRE will provide support to selected developing management training schools in new curriculum development, staff upgrading and development of country/U.S. institutional relationships. To encourage long-term developments, this project will fund, in selected countries, short-term courses and seminars on topics of potential concern to entrepreneurs in start-up or expanding businesses. All Bureau efforts in this product area will be in direct support of USAID Mission programs.

2.2 940-0004 - International Executive Service Corps (IESC) ($5.76 Million): IESC provides assistance primarily to developing country businesses in resolving technical and management problems. Instrumental in this technology transfer and training are executive-level volunteer advisors with a wide range of business backgrounds from diverse U.S. business enterprises. During FY 1987, the IESC will be in the final year of a four-year strategy aimed at increasing its focus on A.I.D. priority sectors and countries, expanding its geographic coverage, and increasingly making its services available to LDC businesses through support from individual USAID Missions. Increasingly, IESC has also directed a greater proportion of assistance efforts toward the needs of small businesses in developing countries and is seeking ways to lessen it's dependency on centrally funded grant support. A PRE evaluation of this project is scheduled during FY 1986 to assess the project's effectiveness.

2.3 Cooperatives and Business Development ($6.0 Million): The Bureau intends to utilize the many cooperative organizations as a means to promote and actively support small business development in LDCs. Programs funded include six core grant activities (i-vi below), three coop-to-coop matching grant activities (vii below). The identification of constraints and, subsequently, the development of alternative approaches to small business development in LDCs will be another area addressed.

(i) 940-0331 - National Cooperative Business Association - NCBA ($855,600): Through this core grant, NCBA maintains its development expertise and provides cooperative development assistance in LDCs. NCBA will increasingly focus on the utilization of cooperatives as a vehicle for providing financing and other services to small businesses.

(ii) 940-0332 - Credit Union National Association - CUNA ($874,000): The primary purpose of CUNA is to plan and manage LDC credit union projects and to coordinate the National Association's efforts to promote credit union growth in LDCs. Similar to NCBA, we will encourage CUNA to involve credit unions in small business lending and development activities.

(iii) 940-0221 - Cooperative Housing Foundation - CHF ($475,000): The CHF provides technical assistance to LDC cooperative housing organizations, and develops methods of involving U.S. cooperatives in the problems and needs of LDCs. The CHF will increasingly encourage good business practices among these organizations to help assure effective management.

(iv) 940-0333 - National Rural Electric Cooperative Association - NRECA ($653,200): This cooperative provides assistance to LDCs in the establishment of rural electric systems and cooperatives which benefit the rural population. NRECA will emphasize the development of self-sustaining, fee based rural electric systems.

(v) 940-0334 - Volunteers for Overseas Cooperative Assistance - VOCA ($819,000): VOCA provides specialized short-term assistance to LDC cooperatives, cooperative associations, and related agencies. This assistance results in the transfer to these organizations of essential management and technical expertise required for improved performance. VOCA is also a key organization in the management of the Farmer-to-Farmer program outlined below.

(vi) 940-0330 - Agricultural Cooperative Development International - ACDI ($717,600): Under this core grant, ACDI provides cooperative development and technical services to agricultural communities, farm credit cooperatives, and small to medium scale farmers in LDCs. Increasing attention is being focused on marketing-related services since these are most frequently the weakest in the farm-to-consumer chain.

(vii) 940-0209 - Matching Grants ($400,000): Under this project the Bureau promotes increased collaboration among U.S. cooperative development organizations and between these organizations and LDC cooperatives in numerous business-oriented and other areas such as international trade, cooperative financing facilities, small enterprise development, and development planning. All such programs are designed to strengthen LDC cooperative development and enhance U.S./LDC cooperative relationships on a business basis. In FY 1987 we will continue to expand the participation of U.S. cooperatives in these cost-shared programs.

(viii)940-0257 - NCBA International Trade Development Program ($600,000): Under this project, NCBA works with cooperatives and small businesses in LDCs to provide needed assistance which allows them to sell their products to export markets and thereby facilitate trade between and among these organizations.

(ix) 940-0209 - Farmer-to-Farmer Program: A.I.D. has been charged with implementing a Farmer-to-Farmer program as authorized under Section 406(a)(1) and (2) of P.L. 480. This involves sending U.S. farmers to provide short-term technical assistance to LDC farmers. Pilot programs in Latin America and the Caribbean are being implemented by both VOCA and Partners of the Americas. During FY 1987, the pilot program will be evaluated to determine its future.

(x) Business Development ($620,600): On a pilot basis, using appropriate U.S. models of small business centers, associations and employee stock ownership programs, PRE will be continuing investigation into the feasibility of adapting these experiences to promote business development in LDCs.

2.4 940-0001 - Evaluations ($400,000): PRE's evaluation program was started during the fourth quarter of FY 1984. The major focus of the program has been conducting process evaluations which provide practical information to Bureau management for decision making purposes. Thus far the evaluations have concentrated primarily in the area of investment promotion and other grant projects. Lessons learned have been directly applied to the strengthening of the grant portfolio monitoring systems and increased collection of development benefits baseline data for the loan portfolio. As a result of evaluation of the Feasibility Studies Program, this project has been eliminated from the PRE portfolio, with the previously covered activities, appropriately, becoming the responsibility of the USAID Missions.

Due to the experimental nature of the portfolio, determining the replicability of PRE projects in other AID-assisted countries remains an important evaluation issue facing the Bureau across the board.

The PRE plan for Fiscal Year 1986 includes the first evaluation of a Revolving Fund loan which is fully disbursed, two end-of-project evaluations, and one cooperative program evaluation.

During Fiscal Year 1987 PRE plans to schedule six evaluations: four Revolving Fund mid-term reviews and two end-of-project evaluations - the grants to the International Executive Service Corps and the Cooperative Housing Foundation.

3. Office of Housing and Urban Programs*

940-1001 - Housing the Urban Poor ($1.5 Million): An increasingly urbanized developing world is failing to keep pace with the need and demand for shelter, particularly for the poor majority, many of whom live in makeshift informal settlements or deteriorating neighborhoods. The number of people living in squatter settlements has doubled during the last decade, housing as much as 70 percent of the urban populations in some parts of the world. Recognizing the enormous need for improved shelter, A.I.D. through its Housing Guaranty Program is demonstrating how to bring about affordable incremental improvements utilizing limited resources to provide a better standard of living for a large number of low-income beneficiaries.

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*See Main Volume narrative for additional information on the Housing Guarantee Program.

The Housing the Urban Poor project, which commenced in FY 1984, complements shelter programs at both the policy and program level. Experience to date shows that long-term, sustained efforts are required to assist LDCs in shaping shelter policies which emphasize affordable, cost recoverable solutions. At the same time, if there is to be a meaningful impact on shelter problems, the skills of the institutions that deal with shelter problems in developing countries must be sustantially upgraded and programs must be designed to encourage the full participation of the private sector in the provision of low-cost shelter. Within these concepts, project funds will be used for five broad categories: (a) institutional development; (b) training; (c) prototype and innovative projects; (d) applied research; and (e) information dissemination.

940-1002 - Urban Development Support Services ($1.5 Million): The Urban Development Support Services project was designed in response to the accelerating urbanization process under way in LDCs, with its massive requirements for land, jobs, shelter, infrastructure and facilities to service the existing and future urban populations. The project is intended to strengthen the ability of LDCs to guide national urbanization policies in order to achieve the maximum contribution to national economic growth while endorsing the achievement of social equity for the urban poor. In addition, the project will help to build A.I.D.'s capacity to devise appropriate methods and techniques for urban analysis, policy development and programming. The range of project activities will bring A.I.D. into contact with many new LDC institutions and provide opportunities to build cooperative relationships.

The components of the project cover a variety of potential activities. The approach is to provide support to broadly assess various aspects of urbanization while selectively targeting resources to carry out specific limited project activities. Project activities include: (a) development of methodologies for urban analysis; (b) monitoring of LDC urbanization trends; (c) applied urban related research; (d) support to USAID country missions; (e) assistance to LDC institutions to conduct urban assessments; (f) support to increase the capacity of national or local urban institutions; (g) action planning and programming in specific urban locations; and (h) preparation of selective capital assistance programs (using other A.I.D., donor or HG funding).

940-1005 - Project Development and Support (PD&S) ($1 Million): PRE/H will continue to use PD&S funding to undertake project design for both shelter and other related urban development project design activities. PD&S funds will be used for shelter planning and project development in countries which express interest in the HG approach. It will also be used for initial urban related efforts that have the potential for widespread applicability and might lead to more comprehensive urban development programs. An example of the type of activity that has been funded under the PD&S categories is the Shelter Sector Assessment, which is an in-depth analysis of the present circumstances and the options available to a country in resolving its shelter problems.

940-1006 - Shelter and Urban Development Training ($1.5 Million): The Shelter and Urban Development Training Project will commence in FY 1986 and will implement training programs to improve the managerial skills of host country personnel in management of shelter and urban development activities. Increasing the pool of trained local managers will consequently provide the opportunity for 1) more efficient capital investments at the national and local levels 2) improved urban and shelter programs which address the basic human needs of urban populations, particularly the urban poor, and 3) expanded infrastructure necessary to stimulate the development and expansion of private enterprise in urban areas of the developing world.

940-1007 - The Development of Secondary Towns ($1 Million): The Development of Secondary Towns Project will commence in FY 1986 with the purpose of stimulating the economic growth and development of secondary towns and to strengthen the institutional capacity of local governments in these towns, especially in development planning, financial management, and service delivery. The major outputs of this project will be trained manpower and improved institutional capacity to manage and direct development in a select number of secondary towns. The methodology developed for analysis and action should be applicable to other cities and towns as well.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87

PROGRAM: COOPERATIVE DEVELOPMENT ORGANIZATIONS

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
COOPERATIVE TO COOPERATIVE GRANTS		G	940-0209	82	C	---	---	776	146	738	690	1,005	500
COOPERATIVE LEAGUE OF THE USA (CLUSA)		G	940-0219	85	85	910	910	910	591	---	319	---	---
WORLD COUNCIL OF CREDIT UNIONS (WOCCU)		G	940-0220	85	85	950	950	950	380	---	570	---	---
COOPERATIVE HOUSING FOUNDATION (CHF)		G	940-0221	85	87	1,375	1,375	450	---	450	470	475	470
NATIONAL RURAL ELEC COOP ASSN (NRECA)		G	940-0222	85	85	710	710	710	---	---	710	---	---
VOLUNTEERS FOR COOP ASST (VOCA)		G	940-0223	85	85	760	760	740	417	---	323	---	---
AGRICULTURAL COOPERATIVE DEV INTL (ACDI)		G	940-0225	85	85	780	780	780	390	---	390	---	---
INTL. TRADE DEV. PROGRAM (NCBA)		G	940-0257	85	87	1,947	2,030	600	235	830	600	600	700
AGRICULTURE COOPERATIVE DEV INTL (ACDI)		G	940-0330	86	89	2,145	2,145	---	---	741	700	718	741
NATIONAL COOP BUSINESS ASSOC (NCBA)		G	940-0331	86	89	2,556	2,556	---	---	884	800	856	850
CREDIT UNION NATIONAL ASSOC. (CUNA)		G	940-0332	86	89	2,612	2,612	---	---	902	850	874	850
NATIONAL RURAL ELEC COOP ASSN (NRECA)		G	940-0333	86	89	1,952	1,952	---	---	675	600	653	600
VOLUNTEERS FOR OVERSEAS COOP ASST (VOCA)		G	940-0334	86	89	2,300	2,300	---	---	780	650	819	700
TOTAL FOR ACCOUNT						18,977	19,060	5,916	2,159	6,000	7,472	6,000	5,411
GRANTS						18,977	19,060	5,916	2,159	6,000	7,472	6,000	5,411
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR OFFICE						18,977	19,060	5,916	2,159	6,000	7,472	6,000	5,411
GRANTS						18,977	19,060	5,916	2,159	6,000	7,472	6,000	5,411
LOANS						---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HOUSING AND URBAN DEVELOPMENT

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SELECTED DEVELOPMENT ACTIVITIES												
INTEGRATC IMPROV PRG FOR THE POOR-IIPUP	G	912-0007	78	83	10,272	10,272	10,272	9,945	---	327	---	---
HOUSING THE URBAN POOR	G	940-1001	84	88	12,503	12,503	3,478	2,787	1,500	1,500	1,500	1,500
URBAN DEVELOPMENT SUPPORT SERVICES	G	940-1002	84	87	11,070	11,070	2,359	1,471	1,500	1,500	1,500	1,500
PROJECT DEVELOPMENT AND SUPPORT	G	940-1005	83	C	---	---	2,131	1,453	1,000	1,000	1,000	1,000
SHELTER AND URBAN DEVELOPMENT TRAINING	G	940-1006	86	90	---	11,250	---	---	1,000	500	1,500	1,500
SECONDARY CITIES	G	940-1007	86	90	---	7,500	---	---	500	200	1,000	1,000
TOTAL FOR ACCOUNT					33,845	52,595	18,410	15,656	5,500	5,027	6,500	6,500
GRANTS					33,845	52,595	18,410	15,656	5,500	5,027	6,500	6,500
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR OFFICE					33,845	52,595	18,410	15,656	5,500	5,027	6,500	6,500
GRANTS					33,845	52,595	18,410	15,656	5,500	5,027	6,500	6,500
LOANS					---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INVESTMENT

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
						AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
INVESTMENT PACKAGING		L	940-0002	82	C	---	---	11,950	7,130	---	2,000	5,500	2,820
TOTAL FOR ACCOUNT						---	---	11,950	7,130	---	2,000	5,500	2,820
GRANTS						---	---	---	---	---	---	---	---
LOANS						---	---	11,950	7,130	---	2,000	5,500	2,820
HEALTH													
INVESTMENT PACKAGING		L	940-0002	82	C	---	---	---	---	---	---	6,000	1,000
TOTAL FOR ACCOUNT						---	---	---	---	---	---	6,000	1,000
GRANTS						---	---	---	---	---	---	---	---
LOANS						---	---	---	---	---	---	6,000	1,000
SELECTED DEVELOPMENT ACTIVITIES													
INVESTMENT PACKAGING		L	940-0002	82	C	---	---	7,500	350	---	2,000	2,000	3,000
TOTAL FOR ACCOUNT						---	---	7,500	350	---	2,000	2,000	3,000
GRANTS						---	---	---	---	---	---	---	---
LOANS						---	---	7,500	350	---	2,000	2,000	3,000
PRIVATE SECTOR REVOLVING FUND													
INVESTMENT PACKAGING		L	940-0002	82	C	---	---	30,500	3,106	16,000	3,000	---	4,000
TOTAL FOR ACCOUNT						---	---	30,500	3,106	16,000	3,000	---	4,000
GRANTS						---	---	---	---	---	---	---	---
LOANS						---	---	30,500	3,106	16,000	3,000	---	4,000
TOTAL FOR OFFICE						---	---	49,950	10,586	16,000	7,000	13,500	10,820
GRANTS						---	---	---	---	---	---	---	---
LOANS						---	---	49,950	10,536	16,000	7,000	13,500	10,820

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[*] Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ALTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: POLICY AND PROGRAM REVIEW

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEVELOPMENT AND SUPPORT	G 940-0001	82	C	---	---	70	---	---	70	---	---
INVESTMENT PACKAGING	G 940-0002	82	84	800	800	800	502	---	298	---	---
INTL EXECUTIVE SERVICE CORPS (IESC)	G 940-0004	70	87	5,600	5,600	2,600	350	1,500	1,500	1,500	1,500
JOINT AGRICULTURE CONSULTATIVE CORPORATI	G 940-0005	82	85	1,546	1,546	1,546	1,064	---	482	---	---
DIVESTITURE AND PRIVATIZATION	G 940-0008	85	C	---	---	203	---	---	203	---	---
INVESTMENT DEVELOPMENT AND PACKAGING	G 940-2002	85	C	---	---	110	---	200	250	---	60
FINANCIAL MARKETS	G 940-2005	85	85	---	---	10	---	---	---	---	---
PRIVATE ENTERPRISE STRATEGY	G 940-2028	85	C	---	---	378	---	---	300	---	78
TOTAL FOR ACCOUNT				7,946	7,946	5,717	1,916	1,700	3,103	1,500	1,638
GRANTS				7,946	7,946	5,717	1,916	1,700	3,103	1,500	1,638
LOANS				---	---	---	---	---	---	---	---
HEALTH											
INVESTMENT PACKAGING	G 940-0002	82	C	---	---	500	250	---	---	---	---
INTL EXECUTIVE SERVICE CORPS (IESC)	G 940-0004	84	87	300	300	300	---	---	300	---	---
ORAL REHYDRATION SALTS	G 940-0009	85	85	1,973	1,973	1,973	---	---	1,500	---	473
TOTAL FOR ACCOUNT				2,273	2,273	2,773	250	---	1,800	---	473
GRANTS				2,273	2,273	2,773	250	---	1,800	---	473
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
PROGRAM DEVELOPMENT AND SUPPORT	G 940-0001	82	C	---	---	6,332	5,299	1,500	1,300	2,500	2,000
INVESTMENT PACKAGING	G 940-0002	82	C	---	---	4,302	3,259	650	1,500	---	244

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: POLICY AND PROGRAM REVIEW

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
INTL EXECUTIVE SERVICE CORPS (IESC)	G	940-0004	70	87	52,395	52,395	43,875	38,792	4,260	4,200	4,260	4,200
DIVESTITURE AND PRIVATIZATION	G	940-0008	85	C	---	---	797	---	2,500	700	3,500	1,500
INVESTMENT DEVELOPMENT AND PACKAGING	G	940-2002	85	C	---	---	190	---	500	300	900	500
FINANCIAL MARKETS	G	940-2005	85	C	---	---	610	---	400	500	840	600
INVESTMENT PROMOTION/FEASABILITY STUDIES	G	940-2006	85	C	---	---	181	---	---	181	---	---
PRIVATE ENTERPRISE STRATEGY	G	940-2028	85	C	---	---	122	---	500	400	500	500
COMMERCIALIZATION OF TECHNOLOGY	G	940-2029	85	C	---	---	159	23	1,250	314	1,500	1,000
TRAINING ENTREPRENEURSHIP	G	940-2038	85	C	---	---	106	---	---	106	500	200
PRIVATIZATION CONFERENCE	G	940-2039	85	85	250	250	248	---	---	248	---	---
TOTAL FOR ACCOUNT					52,645	52,645	56,922	47,373	11,560	9,749	14,500	10,744
GRANTS					52,645	52,645	56,922	47,373	11,560	9,749	14,500	10,744
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR OFFICE					62,864	62,864	65,412	49,539	13,260	14,652	16,000	12,855
GRANTS					62,864	62,864	65,412	49,539	13,260	14,652	16,000	12,855
LOANS					---	---	---	---	---	---	---	---

ITEMS RETRIEVED 8C

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

INTERNATIONAL DISASTER ASSISTANCE

Responsible Officer

Julia V. Taft

JULIA V. TAFT
Director
Office of United States Foreign Disaster Assistance

PROGRAM SUMMARY (In millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
162.5a/	21.5	25

INTERNATIONAL DISASTER ASSISTANCE

Overview

The Office of U. S. Foreign Disaster Assistance (OFDA) is charged with responding to overseas disasters and providing assistance to foreign nations in preparedness, prediction and contingency planning.

Disaster assistance manifests the humanitarian objectives of the American people. Our record of generosity is unparalleled.

The objective of this program is to save lives and property and to reduce suffering in foreign countries which are stricken or threatened by disaster.

Disasters have their origins in natural and manmade events, including earthquakes, floods, storms, volcanic eruptions, tsunamis, droughts, civil strife, accidents, fires, population displacement, and epidemics. They are notable because of the human suffering, loss of life, or destruction of property they engender. While disasters may strike anyone, anywhere, and at any time, developing countries are particularly vulnerable. In addition to destroying lives, livelihoods, and property, disasters frequently damage the vital infrastructure needed for social and economic development.

As we seek to help relieve suffering caused by disasters, we are also able to demonstrate American goodwill, generosity, and concern for disaster victims around the world.

During the twenty years since its inception, OFDA has responded to 811 disasters in 130 countries in which over 2.3 million have died and 803 million have been affected. Immediate and effective relief remains A.I.D.'s constant and primary goal in disaster assistance. Toward that goal, the A.I.D. Administrator, who serves as the Special Coordinator for International Disaster Assistance, maintains constant readiness within OFDA to speed relief to disaster victims wherever they may be. The effectiveness and efficiency of the U.S. Government foreign disaster response mechanism have grown significantly over the years. Utilizing the most appropriate resources of other U.S. Government and state agencies, the private sector and voluntary agencies, A.I.D. gets the right commodities and services to the suffering victims as soon as the needs are defined.

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a/ Includes $25.0 million regular appropriation and $137.5 million supplemental appropriation for Africa famine of which $135 million was available to OFDA for relief and recovery and $2.5 million went to the Africa Bureau for operating expenses.

Fiscal year 1985 was unprecedented in terms of the magnitude of effort required of OFDA. In addition to 38 situations which were declared to be disasters in FY 1985, OFDA responded to emergency relief needs in 10 countries in response to prior year disaster determinations. Principally because of the demands for life-saving, non-food assistance for the famine stricken peoples of Africa, OFDA administered a total of $131.6 million during FY 1985 for disaster relief, stockpiles, preparedness and mitigation activities. The enormous scope of the Africa emergency program did not distract OFDA from responding to life-threatening requirements elsewhere in the world. The chemical explosion in Bhopal, India; devastating cyclones in Bangladesh and the Philippines; the earthquakes in Mexico and Chile; and special needs of displaced Afghans all posed critical needs which had to be met immediately. And they were. Not since FY 1976 had demands of such magnitude been placed on the U.S. Government for foreign disaster assistance.

With all the immediate threats to life and property, FY 1985 was a year of opportunity, as well. Perhaps because of increased awareness of the threat posed by natural disasters, or perhaps because of emerging solutions to those threats, FY 1985 was a year in which significant progress was made in all geographic regions seeking better protection of populations at risk to natural hazards. Twenty-eight countries were given emergency training opportunities in curricula ranging from fire prevention and suppression to disaster management and mitigation. A disaster management center was started at the Asian Institute of Technology in Thailand. The agroclimatic impact assessment program with the National Oceanic and Atmospheric Administration (NOAA) was made operational in Africa and now serves as an early warning system to detect future drought and crop conditions. A tsunami warning system was designed for implementation in Chile. Design was completed for a severe storm warning system in the South Pacific. Progress was made in identifying, defining and implementing hazard mitigation programs worldwide.

Program Strategy

Chapter 9 of the Foreign Assistance Act of 1961, as amended, authorizes assistance for relief and rehabilitation for natural and manmade disasters, as well as assistance relating to disaster preparedness, prediction and warning, and contingency planning for natural disasters. Four goals address Chapter 9 objectives:

A. Alleviate suffering by providing efficient, rapid and appropriate responses to requests for emergency relief; and enhance recovery through rehabilitation programs;

B. Foster self-reliance among disaster-prone nations by helping countries achieve adequate preparedness for disasters;

C. Preserve life and prevent suffering by providing sufficient warning of those natural events which cause disasters; and

D. Save lives and property by introducing practical measures which can mitigate the effects of future disasters.

Disaster relief has been the primary goal of A.I.D.'s disaster assistance program since 1964. Disaster preparedness has been instrumental in helping disaster-prone nations achieve self-reliance since 1969. Disaster prediction and early warning have been addressed under the early warning goal since 1976. Only in the past three years has A.I.D. identified and successfully demonstrated disaster mitigation planning activities.

The unprecedented demands for assistance in 1985 and the new opportunities for preparedness, early warning and mitigation caused OFDA to reevaluate its goals and objectives in terms of available resources. The process led to a pragmatic strategy based on a number of well defined program elements:

1. Relief and Rehabilitation
2. Host Country Preparedness
3. Contingency Planning
4. Disaster Training and Management
5. Private Sector and International Organizations
6. Technology Applications
7. Health/Medical Preparedness
8. Communications
9. Mitigation

Each program element includes specific objectives designed to enhance OFDA's ability to utilize available resources in meeting the predominant goal of saving lives and reducing suffering as a consequence of disaster. These objectives have been translated into programmatic guidelines for the FY 1987 budget.

Organization

OFDA's Office of the Director sets policy, determines strategy, ensures compliance with the Congressional mandate and A.I.D. and U.S. Government policy and regulations, evaluates program elements, and performs the administrative functions of the office. Three Regional Divisions -- Africa/Europe, Asia and the South Pacific, and Latin American and the Caribbean -- plan and control the relief, rehabilitation, preparedness, early warning and mitigation activities. The Operations Division oversees the fiscal, procurement and logistics functions of the office, including the augmentation of resources from other A.I.D. offices, other U.S. Government agencies and the private sector.

FY 1985 Program Accomplishments

OFDA administered a total of $131.64 million during FY 1985. Of this amount, $126.26 million was for emergency relief and $5.38 million was used for stockpiles and preparedness, mitigation, and early warning activities.

Disaster Relief and Rehabilitation

OFDA obligated $49.1 million in response to 38 disasters declared in FY 1985 and 10 disasters carried over from FY 1984. Additionally $77.1 million were obligated for countries determined to be in need of disaster relief under the authority of supplemental appropriations.

Disaster relief and rehabilitation funds were apportioned by region as follows:

Region	Obligations from Regular Appropriations (IDA and Other A.I.D. Accounts)	Obligations from Supplemental Appropriations	Total
Africa	40,548,853	66,249,516 1/	106,798,369
Europe	119,296		119,296
Central America	3,328,296	7,500,000 2/	10,828,296
South America	2,343,025		2,343,025
Caribbean	73,526		73,526
Asia	1,894,191	3,368,776 3/	5,262,967
Pacific	839,217		839,217
Total	$49,146,404	$77,118,292	$126,264,696 4/

1/ The FY 1985 supplemental appropriations in the amount of $135 million for Africa drought and famine relief are available through March 31, 1986.

2/ FY 1984 supplemental funds were obligated in FY 1985 to alleviate suffering of Miskito and other Indian groups in Honduras displaced by civil strife in the region.

3/ A total of $4.0 million ($2.0 million in FY 1984 supplemental appropriations and $2.0 million in reprogrammed previously appropriated IDA no-year funds) were made available to OFDA for use in the Afghanistan Humanitarian Assistance Program. In FY 1985, $2 million were obligated for medical and medical related assistance to displaced Afghans and $1,368,776 were obligated to provide food inside Afghanistan.

4/ This total includes $20.05 million of regular IDA appropriations, $77.1 million of supplemental appropriations, and $29.1 million administered by OFDA from other A.I.D. accounts. Not included is a total of $24.5 million in the International Disaster Assistance account but administered by other A.I.D. bureaus as follows: $21.47 for the Andean region; $1.43 for Lebanon relief; and $1.65 for Italian relief.

By far the largest portion of obligations was directly related to the supplemental funds appropriated by the Congress for the relief and recovery of 11 drought-stricken Africa countries (see Table I). Of the 21 additional disasters to which OFDA responded, the following were particularly significant:

On December 2, 1984, a chemical explosion in Bhopal, India, took the lives of more than 1,400 people and threatened the lives and health of countless thousands more. At the request of the Government of India, OFDA dispatched a team of experts from the Centers for Disease Control of the Department of Health and Human Services which quickly assessed the continuing risk and called for specific life-saving assistance.

On May 4, 1985 Bangladesh was struck by the worst cyclone in the Bay of Bengal region since a 1970 storm that killed 300,000 people. In this year's tragedy, an estimated 10,000 lives were lost and 100,000 victims were left homeless. However, this figure could have been much greater. Since 1976, the United States Government, through OFDA, has been working hand-in-hand with the Government of Bangladesh to put in place a comprehensive severe storm early warning system in the Bay region. As a result, thousands of residents of low-lying coastal areas were alerted to the storm's approach and were able to escape to the shelter of higher ground. The American people can be proud that this highly successful technology transfer project contributed to saving the lives of thousands of Bangladeshis. Relief funds were also provided to the Government of Bangladesh which proved itself capable of managing the disaster response operation.

Earthquakes in Mexico on September 19 and 20, 1985, killed up to 10,000 people in Mexico City. For the first time, the U.S. Government became involved in large-scale search and rescue efforts employing teams of trained dogs to search through the rubble for survivors. Working closely with officials of the Mexican government, OFDA-funded teams worked furiously to locate and rescue dozens of people who would have died beneath the rubble. Sophisticated life-sensing equipment and telescopic cameras used in mining disasters in the United States meant the difference between life and death for many of those trapped. For the survivors, OFDA provided thousands of dollars worth of life-sustaining equipment, supplies, and services. A total of 20 Department of Defense airlifts transported the U.S. donated supplies within hours of the assessment of needs. Lessons learned from this first introduction to search and rescue operations were soon applied in another disaster. On November 13, Colombia's Nevada del Ruiz volcano erupted, creating massive landslides and flooding. Hundreds of people were rescued from the threat of further flooding as U.S. helicopters and Colombian military aircraft airlifted area residents to safety. Here again, U.S. resources were used to complement those of the host government to meet the emergency needs of the disaster victims.

Preparedness

OFDA has concentrated an increasing proportion of its preparedness efforts in training. These training efforts are designed to enhance institutional capability of host country officials to plan for and respond to disasters. In FY 1985, OFDA sponsored 247 individuals from disaster-prone countries to participate in disaster management training programs conducted in the United States and abroad on topics ranging from fire suppression and port handling to emergency management and earthquake preparedness. To better target training program development, all A.I.D. Missions were surveyed in FY 1985 to identify areas in which disaster-related training was needed. In a follow-up to this, OFDA is developing a targeted approach to providing specialized training in such areas as damage assessment, disaster plan development, and emergency communications.

Recognizing the need for expanded access to disaster management training, OFDA has supported the development of course materials on this subject with the University of Wisconsin Extension Service. This year six training courses were developed and tested. This program will for the first time provide a structured, cohesive curriculum through which emergency managers can gain practical as well as theoretical training in the principles of disaster management. A related development was the establishment of a regional disaster management training center at the Asian Institute of Technology in Bangkok. Through such self-sustaining programs as those at the University of Wisconsin and Asian Institute of Technology, OFDA plans to both institutionalize disaster management training and make it more readily accessible to key emergency managers in disaster-prone areas around the globe.

FY 1985 was also a year in which OFDA expanded its training and technical assistance resources through the U.S. Department of Agriculture, National Oceanic and Atmospheric Administration, U.S. Geological Survey, various U.S. state and local governments, and the private sector.

Early Warning

OFDA convened the first U.S. Government Interagency Conference on Developing Predictive Capabilities for Disaster Early Warning Worldwide in July 1985. The purpose was to strengthen programmatic linkages and networks of agencies with unique capabilities for enhancing the U.S. Government's global monitoring program initiated by OFDA. Dialogue among some 60 participants centered on two panels, one dealing with current and potential disaster monitoring capabilities, and a second on network planning for the development and implementation of global early warning systems. Recognizing U.S. Government fiscal constraints, OFDA is working to share proven technologies developed by U.S. Government agencies with disaster-prone countries that can benefit from these advances.

A number of OFDA's 1985 program accomplishments were presented at the conference. A formal agreement among OFDA, the U.S. Embassy in Santiago and the Government of Chile marked the start-up of a state-of-the-art tsunami alert system designed to give critical warning time to seacoast residents of Valparaiso. Design of a satellite cyclone warning system for the South Pacific was completed and prediction computer software is being developed under OFDA sponsorship. The system, to be installed in Fiji in mid-1986, will facilitate forecasts to all independent South Pacific nations of impending storms. The OFDA-funded NOAA agroclimatic impact assessment program, begun in 1977, gained new relevance with the inception of a cross-Africa drought impacts monitoring capability, a keystone in A.I.D.'s new famine early warning system. Seismic data collection was completed under two OFDA-sponsored U.S. Geological Survey programs for the vulnerable Andean and Southeast Asia regions. The data, in various risk analysis formats, will be published in early FY 1986. Other seismic risk analysis programs were funded in Central America, the Caribbean Basin and Peru.

Mitigation

The reduction of disaster vulnerability has gained new advocacy through OFDA-sponsored programs involving the Organization of American States and the Partners of the Americas. These efforts focus on hazard vulnerability documentation and mitigation through sound development planning. One example is the development of construction guides for housing which is disaster resistant. Through the use of locally available materials (i.e., adobe in Andean countries, bamboo in South Pacific), these construction guides provide assistance which will reduce the vulnerability of housing to future disasters in the communities.

Risk reduction is also emphasized in conjunction with initiatives by the World Bank, the United Nations Committee on Trade and Development, and other bodies supported by the U.S. Government. OFDA has also funded and otherwise supported new groups working on mitigation activity such as the Interagency Panel on Mitigation of Disasters on Development, chaired by the Virginia Polytechnic Institute and the American Bar Association.

FY 1986 Program

OFDA's funding level of $21.5 million has been apportioned as follows: $16.5 million for relief and rehabilitation, $2.0 million for preparedness, $1.5 million for early warning and $1.5 million for mitigation. In addition, as of October 1, $68.7 million of the 1985 Africa famine relief supplemental appropriations remained to be obligated through March 31, 1986.

Relief and Rehabilitation

FY 1985 once again proved the unpredictability of disaster and of the resultant requirements for post-disaster assistance. It is expected that the situation in drought-ravaged Africa will continue to improve in FY 1986, during which period the primary task will be to relieve pockets of continuing deprivation. Only seven new disasters have so far been declared, a hopeful indication that FY 1986 will show a return toward average resource requirements for emergency relief and rehabilitation.

Preparedness

Training will continue to be the central focus of OFDA's preparedness program. In FY 1986, $2 million is earmarked for expanded training activities and institutional development. Training is directed at three levels of foreign audiences: policy makers are offered short courses in the political, economic and social consequences of disasters; disaster managers are educated in how to improve their capacity to respond to disasters or their threat; technical personnel receive an upgrading of skills in their fields of prediction, public education, firefighting, search and rescue, pesticide management and other areas critical to the safety of their communities. OFDA's goal is to provide training which will ultimately reach the widest number of host country officials and technicians possible in disaster-prone countries, a factor critical to the continuity of activity in the emerging field of disaster management.

Early Warning

The Interagency Conference on Disaster Early Warning has broadened OFDA's perspective of tasks to be undertaken immediately. The $1.5 million programmed for FY 1986 will be allocated as follows: food shortage forecasting technology transfer in Africa, technical assistance in tropical cyclone forecasting in the South Indian Ocean, earthquake and volcano monitoring and risk studies in the Caribbean and Central America, microzonation of Mexico City for seismic building codes, volcano monitoring feasibility studies, and community-based flood/storm forecasting in cooperation with host countries in Central America. Volcano monitoring activities have already proved valuable as teams of U.S. Geological Survey seismologists are even now monitoring Colombia's Nevada del Ruiz volcano to provide warnings of impending eruptions.

Mitigation

The $1.5 million allocated for mitigation in FY 1986 will build on the conceptual and organizational advances of the past two years. Academic course development, workshops and hands-on demonstration projects support the development of the state of the art in safer building technology, crop vulnerability reduction and avoidance of health problems due to disaster. One focus is on the linkage between early warning of disaster and community-specific, risk-reduction activities. Another area is protection of lifelines (fuel, water, transportation infrastructure) which, if damaged by disaster, can pose a threat to the population.

FY 1987 Program

OFDA is requesting $25 million for International Disaster Assistance in FY 1987. The proposed program has the following basic elements of which disaster relief ($18 million) is by far the most important.

Disaster Relief and Rehabilitation ($18 million)

OFDA's reorganization into geographic divisions in FY 1985 has led to an acceleration of our disaster relief response and rehabilitation capabilities worldwide. OFDA will continue to tailor its staff, and increase its effectiveness and familiarity with available resources (U.S. Government, private sector, and host country) to attain greater efficiencies in relief and rehabilitation.

This will be accomplished by better defining response criteria and action procedures, applying region-specific lessons learned, and improving planning based on increased warning leadtimes. In addition, better use of military and civilian logistics support, continued prepositioning of relief supplies in disaster-prone regions (which is a proven time- and cost-saving strategy in relief efforts), and improved coordination with other donors and host governments will aid in this effort. We anticipate conducting a number of post-disaster evaluations of our response effectiveness and establishing disaster response criteria for various disaster types in different regions of the world.

Mitigation ($1.0 million)

The OFDA mitigation program actively seeks to link longer-term development objectives with our experiences in disaster preparedness and prevention. We will continue in FY 1987 to seek ways, on a country-specific basis, to reduce the vulnerability of dwellings to such natural phenomena as high winds, ground shaking, and flooding. In past years, much disaster research has concentrated on the development of low-cost techniques for strengthening man-made structures to resist natural forces. OFDA believes many of these techniques to be among the most cost-effective interventions available to reduce the economic and social impacts of disasters. By 1987, we will establish priority disaster mitigation interventions based on disaster type and host country and will develop cost/benefit criteria designed to guide our program activities in this important field. In addition, we will have initiated the basic recommendations of the Earthquake Engineering Research Institute study on implementation of a five-year worldwide disaster mitigation strategy.

Country Preparedness ($1.0 million)

OFDA's preparedness program, at the host government level, seeks to strengthen each country's ability to cope with disasters through increased reliance on their own technical, financial and managerial resources. This program is reaching its full potential as we increasingly dedicate full-time technical assistance to help institutions in-country (i.e., Civil Defense and others) in organizing national resources for effective response to disasters, as well as in planning and coordination prior to and during disasters. As we have effectively developed in Costa Rica, Peru, and Jamaica, we will work with U.S.A.I.D. Missions and Embassies and host country organizations to develop integrated technical assistance and institution building in targeted selected countries. The primary focus involves information transfer, public awareness and media applications, increased training of disaster managers and institutional development. In FY 1987, we will continue to direct donor coordination and assistance increasingly into preparedness activities (with linkages to relief assistance) independent of U.S. Government financial support. We will also collaborate with key voluntary organizations to determine their willingness to assume an increased role in worldwide disaster preparedness and prevention activities.

Early Warning ($1.5 million)

OFDA's early warning program was reviewed and evaluated in FY 1984 and FY 1985. It has proven to be an effective catalyst in moving the office toward using both simple and complex technologies to provide more quantified information on the likelihood of disasters. Moreover, it has fostered improved decision-making and contingency planning, within OFDA, A.I.D., and host countries.

In FY 1987, we will conduct agroclimate technology transfer and training in receptive host countries through decision-maker and technical workshops. The goal is to develop improved agricultural policy dialogue vis a vis drought/famine disaster mitigation, both within U.S.A.I.D. Missions and host governments, and to use this technology to alleviate hunger through improved food crop production and appropriate interventions based on accurate weather/agricultural forecasting and early warning. Other early warning activities will focus on improved global monitoring systems for volcanoes, storms and floods and enhanced networking among U.S. and less developed countries' institutions.

Medical Preparedness ($.5 million)

This new program is designed to accelerate OFDA's activities in disaster disease prevention, medical preparedness, supply stockpiling and health vulnerability analysis. OFDA has identified a need for expanded medical contingency planning and technology transfer in risk assessment in the health/medical sector in Africa and Latin America.

We will initiate an in-depth worldwide health/medical emergency risk assessment on a country-by-country basis in FY 1986, in order to establish priorities for USG technical assistance. In FY 1987, we will evaluate the effectiveness of international disaster health/medical intervention strategies.

Disaster Management Training ($1.0 million)

OFDA is firmly committed to training and recognizes the importance of a well coordinated program based on a cadre of in-country personnel, international staff and other appropriate specialists. Training activities will be linked to disaster preparedness and relief assistance. Where possible, training will take place in-country and will be country or region-specific. Where appropriate existing institutions are identified in the

United States, trainees will be selected for participation in "train the trainer" programs. Training aids and resources will be identified in accordance with the training requested and existing country needs.

In FY 1987, we anticipate conducting a mid-term evaluation of the effectiveness of the Asian Institute of Technology (AIT) training programs in stimulating in-country disaster preparedness and early warning activities. In addition, other training activities initiated in FY 1985 and FY 1986 will be evaluated as to their effectiveness in improving host country disaster management and self-help responsibilities.

Private and Voluntary Agency Technical Assistance ($.5 million)

To enhance the U.S. response to foreign disasters and to improve disaster management planning in general, OFDA will promote the services of private and voluntary organizations (PVOs) through collaborative and cooperative agreements in FY 1987. OFDA will utilize the unique skills and approaches of the PVOs to develop and implement disaster relief projects which meet emergency relief needs and also support and contribute to basic, long-term development efforts. Toward that end, we will assist the PVOs to develop and conduct workshops and training sessions to design projects which effectively focus on disaster mitigation and prevention. We will continue to improve the quality and speed of our communications with the PVO community through expanded use of telecommunications.

Contingency Planning ($.5 million)

OFDA bears the responsibility within the U.S. Government for coordinating U.S. responses to future disaster threats. This requires continuing evaluation of those threats at the regional and country levels. It also requires the enhancement of skills and techniques for evaluating and responding to relief requirements at the community or local level. Toward this end, OFDA will continue in FY 1987 to place increasing emphasis on information collection, training, simulation, policy refinement and guideline preparation to meet the ever more complex demands of natural and man-made disasters.

Technology Applications ($1.0 million)

As described in the overview of our 1985 and 1986 programs, in 1987 we will move to apply these technological advances to the local level by integrating regional early warning and alert systems into the local public awareness media.

OFDA has long recognized the need to obtain a worldwide telecommunications capability for improving disaster site relief coordination and U.S. response capabilities. Portable communications also would facilitate disaster assessment and the data collection necessary for efficient, effective emergency response. OFDA continues to review and evaluate U.S. military communications options, civilian systems and international satellite-based telecommunications for possible applications in field operations. OFDA also recognizes the need to assist host governments in upgrading their in-country disaster assistance alert systems and communications. In FY 1987, we will initiate an assessment of two of the most disaster-prone countries in each of five sub-regions of the world to determine the current status of national emergency communications capabilities and the feasibility of improving in-country disaster communications and alert systems. Indeed, we believe our resources can best be used to increasingly direct the development process toward the protection of populations from natural hazards.

The U.S. Government has always been the most effective and visible pioneer in disaster relief, rehabilitation, preparedness and early warning. We expect to maintain leadership in these activities while making important contributions toward reducing disaster risks in the Third World in FY 1987.

TABLE I

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U.S. Foreign Disaster Assistance FY 85*
1 October 1984 - 30 September 1985
International Disaster Assistance Account

COUNTRY	DATE	DISASTER	DEAD	AFFECTED	AMOUNT($)	TYPE OF ASSISTANCE
Afghanistan[1]	00/00/84	Displaced Persons	-	-	3,368,776[3]	Medical supplies; cash for food prog.
Africa Region[1]	00/00/84	Drought	-	-	10,425,156[3]	Water-related TA; crop monitoring; grants to WFP; reimb. volags
Antigua[2]	04/13/84	Drought	-	-	53,610	Replace water containers to stockpile
Argentina	01/31/85	Earthquake	6	45,000	73,605	Airlift of tents; donation to Mendoza Emerg. Comm.
Bangladesh	05/27/85	Cyclone	4,300	1,300,000	625,000[3]	Amb. auth. to GOB Disaster Relief Fund; local purch. relief supplies; grant to LRCS
Benin	05/14/85	Expelled Persons	3	350,000	10,000	Amb. auth. used for local support for food and shelter
Bolivia	01/01/85	Accident	29	-	101,668	Amb. auth. DOD airlift of high altitude helicopter
Botswana	08/12/85	Drought	-	800,000	25,000[3]	Amb. auth. contributed to GOB drought relief prog.
Burkina Faso	11/27/84	Drought	-	2,500,000	576,475[3]	Grants to UNICEF, CARE & Africare; water projs.; med. supps.; emerg. road repair
Burma	04/06/85	Fire	0	4,000	18,371	Amb. auth. donated to Burma Red Cross
Cameroon[1]	00/00/85	Lake Explosion	-	-	15,487	Post-disaster assessment
Cape Verde Is.	10/20/84	Storm	29	5,500	275,000	Amb. auth. used for local relief; grant to GOCV for housing repair
Cape Verde Is.[1]	00/00/85	Drought	-	-	700,000[3]	Emerg. road and bridge repair
Chad	11/05/84	Drought	3,000	1,500,000	4,030,019[3]	Vehicles; med. teams; airlift of rice seed; grants to IHAP, CARE; well, rehab. proj.
Chile	03/05/85	Earthquake	180	979,792	2,024,022	Airlift of relief supps.; local purch. temp. hosps.; grant for emerg. shelter
Colombia[1]	00/00/85	Volcano	-	-	1,780	Pre-disaster assessment
Comoros	03/01/85	Cyclone	2	35,000	25,000	Amb. auth. donated to GOC for hospital repairs
Costa Rica[1]	00/00/85	Fire	-	-	10,000	Forest fire experts & equip.; pre-disaster assessment
Ecuador[2]	12/30/82	Flood	-	-	7,815	Rehab. water purification unit
Ecuador	03/03/85	Fire	0	800	124,142	USFS support; communications equip.
Ethiopia	10/14/84	Drought	300,000[5]	7,750,000	39,282,742[3]	Transport of food and med.; grants to WVRO, CRS, CARE, ADRA, U.N. orgs. and others
Fiji[2]	03/01/83	Cyclone	-	-	2,280	Replace water jugs
Fiji	01/18/85	Cyclone	28	100,000	309,717[4]	Amb. auth.; water jugs; airlift of tents, plastic, sprayers
Fiji	03/18/85	Cyclone	1	20,000	-	-
Grenada[2]	10/27/83	Emergency	-	-	19,916	Replace water containers
Guinea[1]	00/00/84	Drought	-	-	15,746	Pre-disaster nutrition assessment
Honduras	05/26/85	Displaced Persons	-	-	25,000	Amb. auth.
Honduras[1]	00/00/84	Refugees	-	-	7,500,000[3]	Med. & educ. progs.; infrastructure repair; food distrib.
India	12/05/84	Accident	1,408	200,000	208,000	Amb. auth. to Prime Minister's Relief Fund; CDC team; grant to LRCS
Laos	09/18/85	Epidemic	-	-	5,000[3]	Amb. auth. donated to Save the Children
Lesotho	02/15/85	Flood	0	80,000	25,000	Amb. auth. donated to GOL for bridge repairs
Madagascar[2]	04/13/84	Cyclone	-	-	15,637	Increase in housing rehab. project
Mali[2]	09/13/84	Drought	-	-	3,093,203[3]	Assessments; DOD airlifts of food, med. supps. & Geo raft; CARE grant
Mali	11/03/84	Epidemic	982	4,266	136,948[3]	Amb. auth. used for med. supplies & expenses of CDC team; cholera control prog.
Mauritania	12/05/84	Drought	-	1,600,000	803,000[3]	Grant to WHO; purchase & rehab. of well-drilling & water-tank trucks
Mexico	11/21/84	Accident	452	31,000	25,000	Amb. auth. donated to local agency for relief prog.
Mexico	09/20/85	Earthquake	4,287	20,000,000	3,259,106[3]	Contrib. to GOM relief fund; experts, dog teams, blankets, cots, water & communications equip.; USFS support
Mozambique	01/08/85	Drought	100,000[5]	2,466,000	4,060,205[3]	Airlift of blankets; grants to CARE, CWS, & UNICEF for logistical support & relief progs.

TABLE I (cont'd.)

U.S. Foreign Disaster Assistance FY 85*
1 October 1984 - 30 September 1985
International Disaster Assistance Account

COUNTRY	DATE	DISASTER	DEAD	AFFECTED	AMOUNT($)	TYPE OF ASSISTANCE
Mozambique	02/22/85	Floods	8	500,000	25,000	Amb. auth. donated to GPRM for road repair
Mozambique	03/29/85	Storm	-	-	267,321	Purchase of coal for generating plant; TDY of electrical engineer
Niger[2]	09/21/84	Drought	-	-	1,823,404[3]	Local relief prog.; grants to UNICEF, CARE, Africare, & A.I.D. relief proj
Niger	04/29/85	Drought	-	450,000	25,000	Amb. auth. donated to GON for const. of water storage structure on Niger River
Nigeria	05/03/85	Emergency	200	500	6,852	Medical supplies
Panama	11/02/84	Flood	1	1,000	9,190	Amb. auth. donated to GOP for purchase of mattresses
Peru	04/12/85	Landslide	58	1,400	9,993	Amb. auth. used for local purchase of relief supplies
Philippines[2]	09/17/84	Volcano	-	-	25,393	Volcano monitoring equipment
Philippines	11/08/84	Typhoon	862	1,495,738	998,111	Amb. auth.; grants to GOP & CARE for housing, school, and electrical system repair
Solomon Is.	04/15/85	Cyclone	-	650	2,220	Amb. auth. donated to SIG emerg. relief fund
Somalia	03/31/85	Epidemic	1,262	4,815	147,376[3]	Amb. auth.; water containers, med. teams & supplies
Somalia	09/26/85	Accident	0	-	25,000	Amb. auth. used for assessment & protective clothing
Sri Lanka[2]	08/30/83	Civil Strife	-	-	14,316	Replace tents & water jugs to stockpile
Sudan	11/29/84	Drought	-	8,400,000	38,938,798[3]	Med. teams & supplies; water proj.; grants for food & transp.; locomotive parts (includes Ethiopian refugees)
Turkey[2]	10/31/83	Earthquake	-	-	109,296	Replace water containers and blankets; rehab. water purif. units
Uganda	07/30/85	Civil Strife	-	-	25,000	Amb. auth. for medical supplies
United Kingdom	05/15/85	Fire	52	211	10,000	Amb. auth. given to Bradford Relief Fund
Vanuatu	01/23/85	Cyclone	9	117,500	25,000	Amb. auth. donated to GOV relief and reconst. fund
Zambia[1]	00/00/85	Drought	-	-	2,000,000[3]	To GOZ for purchase of grain bags for maize harvest
			417,159	50,743,172	$126,264,696[3]	

57 Disasters
38 New Disasters
9 Undeclared
10 Carried over from previous year(s)

* Preliminary figures subject to revision
[1] Undeclared
[2] Carried over from previous year(s)
[3] Includes funds from an A.I.D. Development Assistance Account or a Supplemental Appropriation administered by OFDA
[4] Includes obligations for both Fiji CY disasters
[5] Cumulative figures

Note: The numbers of dead and affected for disasters carried over from previous year(s) have been previously counted and are not included in this report; otherwise, a dash (-) indicates that information is currently unavailable.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Responsible Officers:

Julia Chang Bloch

JULIA CHANG BLOCH
Assistant Administrator
Bureau for Food for Peace
and
Voluntary Assistance

David A. Santos

DAVID A. SANTOS
Director
Office of American Schools and
Hospitals Abroad

PROGRAM SUMMARY (In millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
30,000	33,495	10,000

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The diversity of America's privately operated educational and medical institutions is one of our nation's greatest strengths. It promotes private initiative, independent inquiry, pluralism and innovative approaches to problem solving. The desire to share these benefits has prompted U.S. citizens to establish and support a wide array of educational and medical institutions overseas. The American Schools and Hospitals Abroad (ASHA) program assists a selective group of these overseas institutions.

In the last five fiscal years (1981-1985), 69 institutions have received ASHA assistance. These institutions

- educate 135,000 students annually from more than 100 countries,
- provide medical services to more than three million people each year,
- operate facilities worth more than $2 billion in replacement costs, and
- raised $236 million from user fees and $79 million from private contributions last year.

OBJECTIVES

The ASHA program assists private, non-profit, American-sponsored schools and hospitals overseas which serve citizens of other countries and demonstrate American ideas and practices in education and medicine.

ASHA assistance increases the capacity of these institutions to

- transfer American technical ability for economic and social development,
- adapt American educational and medical practices to foreign cultures,
- train independent thinkers,
- educate a cadre of citizens who can communicate, share values and work with Americans in business, government, the sciences and other mutually beneficial endeavors,
- serve as models for replication,
- increase understanding between the people of the United States and those of other countries, and
- promote a favorable image of the United States.

ASHA grants help selected institutions to build and renovate facilities, to purchase equipment and, in a few cases, to meet operating costs of educational and medical programs. ASHA supported institutions train future leaders in a wide variety of disciplines, including agriculture, economics, business and public administration, medicine, nursing, public health, education, engineering and the arts and sciences. They also offer adult education programs to improve the skills of those already in the workforce.

PROGRAM MANAGEMENT

ASHA grants are awarded competitively. In managing this program, the Office of American Schools and Hospitals Abroad

- uses a comprehensive application form which calls upon the applicant to demonstrate 1) the role of the U.S.-sponsoring organization, 2) the merit of the overseas institution and 3) the need, impact and cost-effectiveness of the proposal,
- competitively evaluates each application, using A.I.D. reviewers and outside consultants to identify those which best comply with Section 214 of the Foreign Assistance Act, ASHA program criteria and A.I.D. development objectives,
- places priority on projects with long-term development potential,
- seeks a wide and balanced geographic distribution of funds, consistent with the merits and needs of individual institutions,
- requires cost-sharing and grant-matching to the greatest possible extent,
- expects institutions in advanced developing countries to achieve higher levels of fund-raising, and
- encourages all institutions, particularly those dependent on ASHA for operating subsidies, to increase income from private contributions and, where feasible, from tuition, fees and auxiliary services.

QUESTIONS AND ANSWERS ABOUT THE ASHA PROGRAM

How much assistance has ASHA provided in the 1980s? To how many institutions?

During the period FY 1981-1985, ASHA granted $120 million of its Development Assistance-appropriated funds to 69 institutions. ASHA also provided an additional $55.4 million of ESF and other funds during this period.

How was the $120 million used?

Most of this assistance ($83.5 million or 70%) helped finance institutional infrastructure, e.g., classroom, laboratory, library and dormitory construction, as well as scientific, teaching and medical equipment. The remainder ($36.5 million or 30%) provided operating subsidies to a few institutions unable to fully meet operating costs from tuition, fees and private contributions. Attachment A shows the distribution of $120 million by country, institution and fiscal year.

How was the $55.4 million of ESF and other funds used?

The largest portion (60%) of these funds were used to support American-sponsored institutions in Lebanon, in response to the extreme circumstances prevailing in that country. In total, these funds were provided as follows: American University in Beirut, $29.1 million; Beirut University College, $2.6 million; International College of Lebanon, $1.5 million; Project ORBIS, $450,000; and the American Children's Hospital in Poland (including the Zablocki Outpatient Center), $6 million plus $1.44 million equivalent in Polish zlotys. In addition, $14.3 million equivalent in U.S.-owned excess Egyptian pounds was granted to the American University of Cairo.

Have many of the same institutions received grants each year?

Twenty-eight of 69 institutions (41%) received assistance only once in the past 5 years. Sixteen institutions (23%) received grants in 2 years; 8 institutions (12%) in 3 years; and 7 institutions (10%) were assisted in 4 of the 5 years. Only 10 of the 69 recipients (14%) received assistance in each of the past 5 years. Attachment A shows the number of years in which an institution received assistance.

What change has taken place in the geographic distribution of ASHA resources since 1979, when program criteria were first published and the competitive review process was instituted?

Assistance to institutions in Africa, Asia and Latin America more than doubled, increasing from $42 million to $85 million. In the case of Africa, the increase has been more than 15-fold. The following table compares the seven-year periods prior to and beginning with 1979.

DISTRIBUTION OF ASHA FUNDS BY REGION*
COMPARISON OF PERIODS BEFORE AND AFTER MANAGEMENT IMPROVEMENTS
(In Thousands of U.S. Dollars)

REGION	GRANTED 1972-1978	% OF TOTAL	GRANTED 1979-1985	% OF TOTAL	CHANGE
Africa	$ 1,125	1%	$ 18,925	11%	+1,582%
Asia	14,855	10	28,443	17	+ 92
Latin America	26,139	18	37,574	22	+ 44
SUBTOTAL	42,119	29	84,942	50	+ 102
Europe	23,910	16	11,875	7	- 50
Near East	79,622	55	72,183	43	- 9
SUBTOTAL	103,532	71	84,058	50	- 19
TOTAL	$145,651	100%	$169,000	100%	+ 26%

* Based on ASHA dollar appropriations excluding deobligations and funds allocated for program support in the 1970s. Does not include grants of local currency, ESF or other funds.

Which institutions have received the largest amount of ASHA assistance over the past five years?

Shown in descending order, the top 15 institutions are:

1. American University of Beirut
2. Panamerican Agricultural School, Honduras
3. Project HOPE Schools of Health Sciences, Worldwid
4. Hadassah Medical Center, Israel
5. American University in Cairo, Egypt
6. University of the Valley, Guatemala
7. Feinberg Graduate School of the Weizmann Institute of Science, Israel
8. Project ORBIS, Worldwide
9. Admiral Bristol Hospital, Turkey
10. Payap University, Thailand
11. Cuttington University, Liberia
12. Sogang University, Korea
13. American Farm School, Greece
14. Good Shepherd Hospital, Zaire
15. Mwami Hospital, Zambia

Which countries have received the most ASHA funds in the past five years?

In descending order, the countries are as follows; it should be noted that many institutions serve people from a number of countries.

1. Lebanon
2. Israel
3. Honduras
4. Guatemala
5. Egypt
6. Greece
7. Korea
8. Philippines
9. Thailand
10. Turkey
11. India
12. Liberia
13. Botswana
14. Mexico
15. Zaire

What is the dollar value of the educational and medical facilities of the recipient institutions?

The replacement cost of these facilities is conservatively estimated at more than $2 billion based on information from the institutions and knowledge of current building and equipment costs.

What is the value of services provided by these institutions?

While the precise value of educational and medical services is difficult to quantify, the willingness of people to pay for these services through fees and contributions is one indicator of their worth. Last year, 135,000 students and over 3 million persons who received medical services paid $235.6 million in tuition and fees. Private contributions last year amounted to an additional $78.5 million.

What percentage of the applications are assisted? Should fewer or more institutions receive assistance?

The general consensus is that the ASHA program should remain both open and competitive. In the past five years the percentage of applicants assisted has varied from a low of 42 percent in FY 1981 to a high of 67 percent in FY 1984.

Sixty percent were assisted in FY 1985, receiving, on average, 54% of the amounts they had requested. Given the increasing cost of projects, as well as budget and staffing limitations, a trend toward greater concentration of resources may be unavoidable. While increasing project costs have been met in part by greater reliance on cost-sharing and matching arrangements, private fund-raising needs to be directed away from specific projects and toward creating or strengthening private endowments. Such endowments are the best long-term solution to the problem of increasing costs, particularly for institutions in the poorest countries which must keep tuition and fees low.

FISCAL YEAR 1985 PROGRAM

Sixty-seven applicants requested $87 million. Forty were awarded grants totalling $30 million. Of these 40 grantees, 19 had not received assistance in FY 1984 and 6 were first time recipients. Seven of the grants exceed $1 million. The majority ($21.3 million or 71%) will finance long-term investments to expand and improve educational and medical facilities. Institutions receiving assistance and the amounts granted may be found in Attachment A.

FISCAL YEAR 1986 PROGRAM

Fifty-eight applicants are requesting $85.4 million. The FY 1986 applicants are listed in Attachment B.

FISCAL YEAR 1987 PROGRAM

A.I.D. requests $10 million for the ASHA program. Priority will be given to those institutions which best serve as study and demonstration centers for U.S. ideas and practices and which offer the greatest potential for developing human resources.

AMERICAN SCHOOLS AND HOSPITALS ABROAD
GRANTS BY COUNTRY AND INSTITUTION, FYs 1981-1985
(In Thousands of Dollars)

COUNTRY AND INSTITUTION	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	TOTAL
Botswana	900	-	600	550	425	2,475
Kanye Hospital, Kanye	900	-	600	-	-	1,500
Maru a Pula School, Gaborone	-	-	-	550	425	975
Brazil	190	200	-	150	-	540
Esperanca, Santarem	190	200	-	150	-	540
Cameroon	-	-	-	-	325	325
Hospital Central D'Enongal	-	-	-	-	325	325
Ecuador	300	-	-	-	-	300
Working Boys' Center, Quito	300	-	-	-	-	300
Egypt	400	800	900	1,000	2,250	5,350
American University in Cairo	400	800	900	1,000	1,850	4,950
Holy Family College, Cairo	-	-	-	-	400	400
Greece	975	725	695	1,380	1,075	4,850
American College of Greece, Athens	-	300	-	380	-	680
American Farm School, Thessaloniki	550	425	295	350	475	2,095
Anatolia College, Thessaloniki	425	-	200	375	600	1,600
Athens College, Athens	-	-	200	275	-	475
Guatemala	1,200	950	875	1,825	850	5,700
Hospital de la Familia, Nuevo Progreso	-	-	-	125	-	125
Francisco Marroquin University, Guatemala City	-	-	-	1,000	-	1,000
University of the Valley, Guatemala City	1,200	950	875	700	850	4,575
Haiti	400	150	200	-	675	1,425
Adventist Hospital, Port-au-Prince	400	-	-	-	-	400
Bohoc Technical Institute, Bohoc	-	-	200	-	375	575
Hospital St. Croix, Leogane	-	150	-	-	300	450

COUNTRY AND INSTITUTION	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	TOTAL
Honduras	1,300	1,500	1,655	1,700	2,500	8,655
Panamerican Agricultural School, Zamorano	1,300	1,500	1,455	1,700	1,700	7,655
Escuela Internacional Sampedrana, San Pedro Sula	-	-	200	-	800	1,000
India	-	500	500	900	1,410	3,310
Kodaikonal School, Tamil Nadu	-	-	-	-	300	300
Ludhiana Christian Medical College, Punjab	-	-	500	500	500	1,500
Vellore Christian Medical College and Hospital, Vellore	-	500	-	400	500	1,400
Woodstock International School, Musoorie	-	-	-	-	110	110
Israel	2,000	2,950	3,100	4,100	4,650	16,800
American College of Belz, Jerusalem	-	-	-	-	500	500
Beth Rivka Comprehensive School, Kfar Chabad	-	-	300	450	-	750
Boys Town Jerusalem	-	800	250	-	300	1,350
Emunah Women of American Community College, Jerusalem	-	-	450	-	200	650
Feinberg Graduate School of the Weizmann Insti. of Sci., Rehovot	1,000	1,000	750	1,200	500	4,450
Gan Yavne Youth Village, Gan Yavne	-	-	-	-	150	150
Hadassah Medical Center, Jerusalem	1,000	1,000	850	1,500	1,500	5,850
Jerusalem College of Technology	-	-	-	250	-	250
Kfar Silver, Ashkelon	-	-	-	200	-	200
Laniado Hospital, Netanya	-	-	-	-	500	500
Or Hachayim Girls College, Bnai-Brak	-	150	-	-	-	150
Ohr Somayach School, Jerusalem	-	-	-	-	1,000	1,000
Shaare Zedek Hospital, Jerusalem	-	-	500	500	-	1,000
Italy	250	225	200	325	350	1,350
Bologna Center of Johns Hopkins University, Bologna	250	225	200	325	350	1,350
Jamaica	-	-	-	625	-	625
St. George's College, Kingston	-	-	-	625	-	625

COUNTRY AND INSTITUTION	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	TOTAL
Jordan	-	200	-	400	250	850
American Center for Oriental Research, Amman	-	200	-	400	250	850
Korea	1,250	1,150	300	800	1,300	4,800
Kwangju Christian Hospital	-	-	-	250	-	250
Presbyterian Medical Center, Jeonju	450	200	200		400	1,250
Sogang University, Seoul	800	950	-	550	-	2,300
Soong Jun University, Seoul	-	-	-	-	900	900
St. Joseph's Girls High School, Cholla Nam Do	-	-	100	-	-	100
Lebanon	4,375	4,000	4,250	5,000	5,350	22,975
American University of Beirut	3,500	4,000	4,000	5,000	5,000	21,500
Beirut University College	375	-	-	-	350	725
International College of Beirut	500	-	250	-	-	750
Liberia	750	-	900	650	600	2,900
Cuttington University College, Suacoco	750	-	900	650	600	2,900
Malawi	750	400	-	-	700	1,850
Malamulo Hospital, Makwasa	750	400	-	-	700	1,850
Mexico	-	700	-	1,500	-	2,200
American British Cowdray Hospital, Mexico City	-	-	-	1,000	-	1,000
University of the Americas, Puebla	-	700	-	500	-	1,200
Philippines	-	1,190	1,300	1,200	1,100	4,790
Ateneo de Davao University, Davao City	-	1,190	-	-	250	1,440
Ateneo de Manila University, Quezon City	-	-	-	1,200	-	1,200
Ateneo de Zamboanga, Zamboanga City	-	-	-	-	850	850
De La Salle University, Manila	-	-	800	-	-	800
Silliman University, Dumaguete City	-	-	500	-	-	500

COUNTRY AND INSTITUTION	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	TOTAL
Poland	-	300	150	750	250	1,450
American Children's Hospital, Krakow	-	300	150	750	250	1,450
Rwanda	-	-	575	-	-	575
Mugonero Hospital, Kibuye	-	-	575	-	-	575
Sudan	-	-	-	425	-	425
Loyola Secondary School, Wau, Bahr el Ghazel	-	-	-	425	-	425
Thailand	1,075	960	500	1,225	700	4,460
Bangkok Adventist Hospital	-	-	-	725	700	1,425
Payap College, Chiang Mai	1,075	960	500	500	-	3,035
Turkey	1,205	750	550	680	650	3,835
Admiral Bristol Hospital, Istanbul	930	750	550	400	650	3,280
Robert College, Istanbul	275	-	-	280	-	555
West Bank	750	-	-	1,000	-	1,750
Bethlehem University, Bethlehem	-	-	-	1,000	-	1,000
Mount of David Children's Hospital, Bethlehem	750	-	-	-	-	750
Zaire	130	-	550	715	550	1,945
Good Shepherd Hospital, Kananga	130	-	550	715	550	1,945
Zambia	300	-	-	600	690	1,590
Mwami Adventist Hospital, Chipata	300	-	-	600	690	1,590
Worldwide	1,500	2,350	2,200	2,500	3,350	11,900
Project HOPE Schools of Health Sciences	1,500	1,600	1,500	1,500	1,500	7,600
Project ORBIS	-	750	700	1,000	1,850	4,300
TOTALS:	20,000	20,000	20,000	30,000	30,000	120,000

AMERICAN SCHOOLS AND HOSPITALS ABROAD
Fiscal Year 1986 Applicants

INSTITUTION	TOTAL
Admiral Bristol Hospital, Turkey	$ 1,705,000
American-British Cowdray Hospital, Mexico	2,000,000
American Children's Hospital, Poland	701,886
American College of Greece	1,250,000
American Collegiate Institute, Turkey	423,350
American Farm School, Greece	360,000
American University of Beirut	7,500,000
American University in Cairo	2,900,000
American University of Les Cayes, Haiti	1,855,000
Amit Kfar Batya Youth Village, Israel	250,000
Anatolia College, Greece	1,078,700
Angeles University, Philippines	757,363
Athens College, Greece	492,369
Bar Ilan University, Israel	1,850,000
Beirut University College	600,000
Bohoc Technical Institute, Haiti	330,000
Bologna Center, Italy	375,000
Boys Town Jerusalem, Israel	1,500,000
Central Philippines University, Iloilo City	1,484,956
Childrens Town, Israel	1,000,000
Chung Ang University, Korea	1,500,000
Cuttington University College, Liberia	1,130,000
Escuela International Sampedrana, Honduras	1,115,540
Esperanca, Brazil	202,500
Feinberg Graduate School, Israel	2,290,000
Francisco Marroquin University, Guatemala	2,500,000
Girls Town, Ohr Chadash, Israel	600,000
Good Shepherd Hospital, Zaire	1,100,000
Hadassah Medical Center, Israel	4,558,000
Harry S. Truman Research Institute for Advancement of Peace, Israel	300,000
Hospital St. Croix, Haiti	605,000
Indo-American Hospital, Hyderabad, India	3,000,000
Kanye Hospital, Botswana	995,800
Kwangju Hospital, Korea	640,000
Lampang College, Thailand	1,013,412
Ludhiana Hospital and Medical School, India	500,000
Machanaim High School, Israel	628,000
Malamulo Hospital, Malawi	700,000
Migdal Ohr School, Israel	2,090,000
Mother and Baby Hospital, Israel	3,000,000
Nancy Fulwood Hospital, Pakistan	722,560
New England College, United Kingdom	1,565,000
Notre Dame University, Cotabato City, Philippines	1,276,956
Panamerican Agricultural School, Honduras	4,350,000
Payap University, Thailand	920,000
Presbyterian Medical Center, Korea	620,000
Project HOPE, Worldwide	3,100,000
Project ORBIS, Worldwide	2,000,000
Sha'Alvim Teachers College, Israel	3,000,000
Shaare Zedek Medical Center, Israel	2,174,000
Sogang University, Korea	1,096,528
St. George's College, Jamaica	620,000
University of the Valley, Guatemala	1,272,500
University of the Americas, Mexico	855,525
Vellore Medical College and Hospital, India	985,740
Weslyan University, Philippines	371,026
Xavier High School, Truk (FSM)	626,000
Yeshivat Kfar Ganim High School, Israel	1,500,000
TOTAL:	$83,937,721

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - AMERICAN SCHOOLS AND HOSPITALS ABROAD

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
AMERICAN SCHOOLS AND HOSPITALS ABROAD											
AMERICAN SCHOOLS AND HOSPITALS ABROAD	G 938-ASHA	59	C	35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
TOTAL FOR PROGRAM				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
GRANTS				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
GRANTS				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
GRANTS				35,000	35,000	451,128	417,663	33,495	26,500	10,000	15,000
LOANS				---	---	---	---	---	---	---	---

[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

Responsible Officers:

for

JULIA CHANG BLOCH
Assistant Administrator
Bureau for Food for Peace
and
Voluntary Assistance

Thomas A McKay

THOMAS A. McKAY
Director
Office of Private and Voluntary
Cooperation

PROGRAM SUMMARY *(In millions of dollars)*		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
32,000	29,230	32,700*

PRIVATE AND VOLUNTARY COOPERATION

Overview

The A.I.D./PVO partnership has a long, rewarding history. It has improved the quality of life for millions throughout the world. It is a partnership based on the mutuality of A.I.D. and PVO interests in fostering self-help development in the third world. PVOs and A.I.D. share a commitment to overcoming problems of hunger, illiteracy, disease and early death in the poorer countries of the world -- solutions which are integral to economic growth and development. PVOs bring diverse and unique strengths to this effort.

The Office of Private and Voluntary Cooperation serves as the lead office with respect to Agency-wide activities involving the PVOs. Its objective is to extend and enhance the impact of these activities. In pursuing this objective, the Office has a wide variety of functions. These include:

- managing a field grants program including matching and child survival grants;
- carrying out legislatively-mandated functions such as PVO registration, administration of the ocean freight reimbursement program and administration of the free transport program authorized under the Denton Amendment;
- managing the Biden-Pell grants program for support of Development Education within the United States ; and
- providing technical assistance and information services to A.I.D. field Missions to strengthen A.I.D.-funded PVO programs.

The Office's budget represents a small (i.e. 10-12%) but significant part of total Agency support for PVO field activities. It enables PVOs to expand and strengthen credit and entrepreneurial advisory services, health services, forestry, appropriate technology transfer and agricultural development programs of PVOs in over 50 countries. In addition to serving project-specific development objectives, the Office's field support grants also strengthen the technical capabilities of PVOs in sectors of A.I.D. priority. The benefits of these grants extend well beyond the individual field activities they finance. They play a significant role in increasing the developmental effectiveness of the PVOs' full portfolio of activities, whatever the funding source.

*See page 2 for explanation of FY 1987 figures.

In recent years, through efforts initiated by the Office of Private and Voluntary Cooperation, we have gained valuable insight into areas where PVOs offer comparative advantage, as well as areas where PVO effectiveness might be further strengthened. Evaluations of PVO programs in the fields of small enterprise development and primary health care highlight their important role in delivering credit to men and women unreached by the formal sector and in extending the availability of basic health care to remote locations. Similarly, such studies have identified the valuable role of PVOs in helping communities preserve their natural resources, whether through reforestation, land terracing or energy-efficient practices. A new series of evaluations underway in FY 1986 and FY 1987 will provide further insights into the role of PVOs in strengthening local institutions and in rural development. The grant programs managed by the Office of Private and Voluntary Cooperation have played a critical role in improving A.I.D.'s understanding of PVO capabilities in these fields.

FY 1987 Program Strategy

The FY 1987 program of the Office of Private and Voluntary Cooperation will continue to reflect its dual function as both an implementing office and a resource for other A.I.D. offices and Missions in their own PVO-related activities. The Agency's PVO Policy Paper will continue to serve as the backdrop in carrying out the office's work. Special emphasis will be given to:

- improving the developmental effectiveness of A.I.D.-supported PVO field activities through:
  - better assessments of PVO strengths and weaknesses in technical fields; and
  - closer integration of the various available A.I.D. and PVO resources;
- improving the efficiency of the A.I.D./PVO partnership by further simplifying and standardizing management and administrative procedures for PVO grants, while preserving accountability for USG funds; and
- applying PVO grant eligibility and cost-sharing requirements to ensure that PVOs maintain their financial independence.

In FY 1987, a budget level of $32.7 million is proposed for the Office of Private and Voluntary Cooperation inclusive of $2.5 million for the Development Education program. This compares to a projected budget of $29.3 million in FY 1986. Actual FY 1985 figures include Development Education activities but not Regional Bureau funds transfered for O.I.C.I. and other PVO country activities of $7.1 million. The totals also do not include Child Survival funding in the following amounts, FY 1987 $7.5 million, FY 1986 $7.3 and FY 1985 $15.9. And the total for FY 1986 does not include special funding of $1.8 million for vitamin A supplements.

The predominant share of the budget will continue to be devoted to grants supporting PVO field programs, with most of the balance allocated to Ocean Freight Reimbursement and Development Education Grants. A small portion of the Office's funding will be reserved for activities such as evaluations and training workshops, focussed on PVO effectiveness.

As the A.I.D./PVO partnership has evolved in recent years, there has been a major increase both in the number of PVOs committed to overseas development and in the technical capabilities possessed by the PVO community. This growth has been accompanied by concern that the independent and voluntary nature of PVOs - an important factor in their effectiveness - should not be compromised by too heavy a reliance on the U.S. Government for funding. While PVO cost-sharing has been a requirement for each project implemented under the PVO grant program since FY 1978, an additional requirement for grant eligibility was established in FY 1985. This requirement - the "privateness test" - sets a minimum of 20% non-United States Government funding as a basic condition for PVO eligibility for A.I.D. funding. Our strategy for FY 1987 calls for continued close attention to this important issue.

GRANTS TO SUPPORT PVO FIELD PROGRAMS

The field grant programs administered by the Office of Private and Voluntary Cooperation supports expanded PVO field activities and improved PVO developmental effectiveness. They are an efficient means to work with PVOs with proven records of developmental success. For example, through this program CARE received funding under a single grant for agro-forestry projects in 10 countries. These programs also leverage a high volume of private resources for projects directly supportive of A.I.D. objectives.

Matching Grants will continue to be the predominant form of field grant support provided by PVC, constituting at least 80% of all awards. They support PVO development programs which are consistent with A.I.D. geographic interests and Agency policies and priorities. In addition, they require a dollar for dollar PVO contribution, with priority accorded to those programs where a PVO can make a cash match. In selecting recipients, special consideration is given to proposals which will contribute to increased agricultural production in Africa and/or which improve the developmental impact of food aid.

FY 1987 marks the tenth year of the matching grant program. Significant growth has occurred since the beginning of this program, most notably:

- the number of PVO participants has increased from two in FY 1978 to 27 in FY 1985;

- annual funding levels have increased from $1.5 million in FY 1978 to $13.3 million in FY 1985;

- PVO technical competency and capacity to meet development "track record" criteria has increased, with a commensurate increase in competition for funding.

The field grant program also supports a few organizations whose programs do not strictly conform to all matching grant criteria, but which are competitively judged to provide an otherwise unavailable service or be of such exceptional quality as to warrant funding. These grants also require a significant contribution by the PVO, which in most cases matches the level of A.I.D.'s support.

A.I.D. is proposing $29.8 in FY 1987 for PVO field grants which includes $7.5 million for Child Survival activities.

The following examples illustrate approaches and sectoral activities supported through the field grant program:

Cooperative for American Relief Everywhere (CARE) will carry out a five-year, $8.5 million Matching Grant Program during the period FY 1985 - FY 1987 which focuses on formulation of strategies and implementation of projects in agro-forestry, microenterprise development, primary health care and food aid. The grant is designed to consolidate and strengthen CARE's expertise in these high priority sectors, and will fund expansion or initiation of 18 projects. Four regional technical assistance teams will be established to provide specialized technical assistance to these programs. The grant also calls for regional and country-specific training workshops and the production of field manuals. This new program builds on CARE's excellent track record under its previous matching grant which supported 10 agro-forestry projects, drew on the services of Peace Corps volunteers and leveraged significant levels of private cash contributions. An evaluation of one of these projects, the Maggia Valley reforestation and dune stabilization project in Niger, substantiated the impact of the tree plantings in increasing crop yields and decreasing erosion and wind damage. This matching grant experience is now being applied worldwide in strengthening other CARE forestry projects.

Private Agencies Collaborating Together (PACT), a consortium of 25 U.S., Latin American and African private agencies, has been the largest recipient of PVC funding since 1982. PACT was awarded a three year (FY 1985-1987) $7.5 million Cooperative Agreement to fund field-level development projects and increase PVO effectiveness in development work; the A.I.D. project funds are matched by the recipient PVOs. Major evaluations have established PACT's excellent track record in funding sound projects and in improving project design and performance of its member agencies. Under the cooperative agreement, PACT will support 30-50 PVO projects annually, as well as providing program planning and design assistance, conducting topical workshops and promoting exchange of PVO experience through a "learning and linkages" program. Special emphasis will be placed on transferring PACT members' expertise to less-experienced U.S. and LDC institutions, supporting newer, smaller PVOs, strengthening LDC consortia and increasing project activity in the Africa region.

Foster Parents Plan (PLAN) is carrying out a three year $3.23 million matching grant program, begun in FY 1984, which supports income generating activities in seven countries: Indonesia, Philippines, Thailand, Sri Lanka, India, Egypt and Kenya. This grant will enable PLAN to reinforce its new emphasis on small scale agricultural and off-farm income-producing projects. It is designed to enable PLAN's beneficiaries to become increasingly self-sufficient in providing for their basic needs. The improved methodologies developed under this program for organizing income generating activities will be replicated eventually by all 22 field offices around the world. PLAN has successfully completed the preliminary research and staff training for this program, and has pilot tested new income generating strategies in three field offices in Indonesia and the Philippines. Projects will be implemented in the remaining five countries in FYs 1986/1987.

OEF International, formerly the Overseas Education Fund, is using a three year cost-shared grant, begun in FY 1984, to strengthen its technical capability to assist local organizations carry out programs to increase women's employment. Evaluation of previous enterprise development programs demonstrated the success of OEF assistance in increasing the income of women and highlighted OEF's skill in developing simple, appropriate training materials. The cost-sharing grant will help OEF broaden its program impact through the development of training packages for wider distribution. Two sets of training materials, a "how-to" manual for business feasibility studies and a marketing strategy package, will be field tested in a minimum of nine countries. The grant also supports the development of a women, law and development training package which will enable national and local women's groups to analyze legal codes and identify structural impediments to increased income and self-reliance.

The Aga Khan Foundation (AKF) received a three-year, $1.0 million matching grant beginning in FY 1985 to expand their rural development program in South Asia and Africa. To date, programs have been established in Pakistan and India. A third program is planned for Kenya in 1987. The primary objective is to increase the income and employment opportunities of the targeted rural populations, with doubling of per capita incomes over a period of ten years as the minimum goal. A.I.D.'s grant will be augmented by $17 million from the AKF network and approximately $3 million from other donors.

Africare is expanding the development of small-scale agribusinesses in Senegal, Mali, Niger, Zambia and Zimbabwe with support of a $690,000, three-year matching grant beginning in FY 1985. The program focuses on agribusiness production, processing and marketing of vegetables, fruit, staple grains, poultry and livestock, as well as by-products such as hides and beeswax. Although the emphasis is on food production, the program also involves such rural enterprises as grinding mills and manufacturers of farm implements. Working with farmer groups, cooperatives, credit unions and other rural-based organizations, Africare will promote this agribusiness development through a combination of grants, loans and revolving credit funds.

Joint PVO/University Rural Development Center (Joint Center) received a $888,000 three year cost-sharing grant in FY 1984 to support the collaborative effort of several PVOs and an equal number of U.S. universities in water harvesting and aquaculture. Thus far, the Joint Center has conducted training programs in Central America and Asia for field-level workers from 19 countries and provided on-site assistance to PVOs in seven countries. Planned outputs include nine field projects, benefitting an estimated 30,000 people through improved water availability (ponds and wells) and fish production.

CHILD SURVIVAL

In FY 1985 Congress provided additional funds for health and nutrition activities and authorized a new program, the Child Survival Fund. These resources are being used to address the special health needs of children and mothers by fostering the use of simple, available technologies that enhance child survival prospects in poor countries, with particular emphasis on oral rehydration therapy (ORT) and immunizations. Recognizing the special contribution PVOs could make in extending child survival outreach, A.I.D. set aside a portion of the funding specifically for their activities. Fourteen grants totalling $15.8 million were awarded to PVOs under this program in FY 1985 for three year projects to be carried out in 12 countries worldwide. In FY 1986 $7.3 million was appropriated. A request of $7.5 million is being made for FY 1987.

The following examples illustrate activities supported through this program:

Catholic Relief Services (CRS)is carrying out a three-year project in Ecuador with a $369,000 grant. The project will help Mother's Clubs in 45 rural communities establish self-sustaining health and nutrition programs. The project has four basic components: training of mothers in health and nutrition, including growth monitoring; training of local "health and nutrition counselors" to be supported by the community; establishment of communally-managed pharmacies; and the self-sustaining production of local weaning foods as a longer-term alternative to the use of Title II commodities.

Helen Keller International (HKI) received a $1,524,900 grant to reduce child morbidity, mortality and blindness related to vitamin A deficiency. Working with Health Ministries in Indonesia and Bangladesh, HKI is helping to: (1) improve vitamin A distribution systems; (2) link vitamin A distribution with other child survival strategies; (3) train health workers to recognize and treat vitamin A deficiency; (4) promote breastfeeding and consumption of vitamin A-rich foods; (5) test vitamin A fortification technologies: and (6) educate relevant individuals/institutions about vitamin A deficiency and how it can be alleviated.

Meals for Millions (MFM), with a three year $2.9 million grant, is expanding Applied Nutrition Programs (ANPs) in Ecuador, Honduras, Sierra Leone, Kenya, Thailand and Nepal and developing new ANPs in six additional countries. The program supports comprehensive, interrelated multisectoral activities designed to improve the nutrition status of local populations, particularly women and children. Specific activities include nutrition and health education, human resources development, agricultural and economic development, resource conservation, and water resources/physical infrastructure development. Recent evaluations of ANP programs in Ecuador, Honduras and Thailand, funded under a previous matching grant, showed measurable impact on target populations; e.g., a 24% reduction in malnutrition rates in Honduras; doubling of family incomes in Ecuador through revolving loan funds; and a substantial contribution to a coordinated Thai Government program to reduce infant malnutrition.

World Vision Relief Organization (WVRO) will carry out a three-year Child Survival Program in Zimbabwe through a $690,000 grant. The project involves two types of interventions: strengthening community participation in and support for existing health services; and strengthening the health delivery systems themselves. Emphasis is placed on expanded use of oral rehydration therapy and increased immunization coverage for pregnant women and children. Community organizations and churches, already working with WVRO on other rural development initiatives, are taking part in the campaign.

OCEAN FREIGHT

A.I.D. will continue to reimburse PVOs for shipment of purchased or donated commodities used in their relief and development programs overseas. During the last five years, A.I.D. has allocated $35 million to PVOs to ship supplies valued at some $400 million, benefitting low income people in some 80 countries.

In light of the steadily increasing competition for limited ocean freight funds, in FY 1986 PVC revised its application guidelines and award criteria to reflect the following priorities: (1) shipments to A.I.D. assisted countries, (2) shipment of commodities which are used to support, in priority order, (a) long term development projects, (b) relief projects with self-help elements leading to longer term development activities, (c) emergency assistance; and (3) shipments where the PVO is bearing the greatest portion of total overseas shipping costs.

A.I.D. is proposing $6.5 million for the ocean freight program in FY 1987.

DENTON AMENDMENT

The Denton Amendment provides for the shipment of humanitarian supplies to Central America on a space available basis by the Department of Defense. In the first quarter of FY 1986 approximately 122,400 pounds of humanitarian supplies were transported to El Salvador and Honduras.

The Defense Authorization Act of 1986 extends the Denton Amendment transport authority to the rest of the world. In FY 1986/87 the Office of Private and Voluntary Cooperation will continue to play the lead role in coordinating this program for A.I.D.

DEVELOPMENT EDUCATION.

For FY 1987, A.I.D. proposes $2.5 million for Development Education grants. A separate detailed narrative describing this program is to be found in the Main Volume. This program is mandated by the Biden-Pell Amendment, which authorizes A.I.D. to support the ongoing work of PVOs to facilitate widespread public discussion, analysis and review of issues related to world hunger and poverty. The major component of the Development Education effort is a competitive grants program which provides support on a cost-shared basis to PVOs and other private, non-profits engaged in educating Americans about world hunger and related development issues.

Examples of projects supported under this program include:

The Pan American Development Foundation (PADF) and the Distributive Education Clubs of America (DECA) are working together to develop and disseminate a curriculum guide for use in marketing education classes attended by high school students in grades 11 and 12. Regular DECA conferences are being used to develop and test materials and to train high school teachers in their use. A Project Advisory Committee comprised of PVOs, educators and participating organizations is helping develop the curriculum guide. Through this program, high school students are learning about the importance of micro-enterprise development as a means of reducing poverty in Latin America and the Caribbean, and are being encouraged to involve themselves personally in related development education activities or development projects.

The International Trade and Development Education Foundation has joined the Oil, Chemical and Atomic Workers Union (OCAW) in an 18 month project designed to integrate development education into continuing OCAW programs. The Foundation's expertise in preparation of development education materials, matched with the existing communication and educational capabilities of OCAW, provides the opportunity to involve local union leaders in this joint effort. A development education component, designed to increase understanding of international economic development and the relationship between foreign assistance and U.S. economic well-being and security, has been added to OCAW's continuing education programs for union leaders.

WETA-TV, a non-commercial public broadcasting station in Washington D.C., will undertake a "Global Links Development Education Project" with the assistance of a Biden-Pell grant. WETA is developing a teacher/student viewing guide for use with the GLOBAL LINKS television series produced in cooperation with the World Bank. Fifteen thousand guides are being distributed to secondary school social studies teachers, university professors of international relations and PVOs. Workshops will be held at regional conferences of the National Council for the Social Studies, the American Political Science Association, and the Instructional Television network of the PBS system to train teachers in the classroom use of the guide and the videocassette series.

EVALUATION

For the past decade, A.I.D. has conducted many evaluations to better understand the strengths and weaknesses of PVOs and to integrate lessons learned into its overall development program. Special attention has been given to project impact and lessons learned in key sectors such as small enterprise development and health and nutrition activities.

Findings suggest PVOs possess the following strengths:

Capacity to foster grassroots development in remote areas unserved by LDC governments or bilateral donors.

Ability to mobilize both international and local resources for project development.

Sensitivity to culture, language, social values.

Ability to identify local needs and adapt training to them.

And the following needs or weaknesses:

Improved program management and technical capability.

Improved financial management and fund raising.

Improved measurement of costs of projects and the value of benefits.

In FY 1986 and FY 1987 $1.5 million will fund increased attention to evaluation of:

Long-term Development: The impact of PVOs on long-term development and institution building in the less developed countries where they are working jointly with A.I.D. resources. Case studies will address both specific project accomplishments and cross-cutting issues--such as sustainability, institutional development, replicability, benefit distribution, leadership development, and costs and benefits.

PVO Effectiveness and Training Needs: The Office of Private and Voluntary Cooperation is undertaking a Congressionally-mandated assessment of PVO effectiveness tapping existing literature and experience to date. We will continue in our evaluation of individual PVO programs to address the effectiveness of PVOs in carrying out cost-effective projects and in planning for small-scale project development, with particular attention to longer term training needs.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHD	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST												
PROGRAM GRANTS (MATCHING)												
LUTHERAN WORLD RELIEF (LWR)	G	932-0132	78	81	2,000	2,000	2,300	1,756	---	---	---	---
SAVE THE CHILDREN FEDERATION (SCF)	G	938-XXX3	86	90	---	3,000	---	---	---	---	2,000	1,000
TECHNOSERV (TNS)	G	938-XXX4	86	90	---	335	---	---	---	---	335	105
INTL INST RURAL RECONSTRUCTION (IIRR)	G	938-XX25	87	89	---	2,100	---	---	---	---	700	125
WINROCK INTL LIVESTOCK CENTER (WI)	G	938-XX26	87	89	---	600	---	---	---	---	200	100
LUTHERAN WORLD RELIEF (LWR)	G	938-XX30	87	89	---	2,300	---	---	---	---	740	240
LUTHERAN WORLD RELIEF (LWR)	G	938-0176	83	85	2,400	2,400	2,300	1,397	---	903	---	---
SAVE THE CHILDREN/COMM DEV FDN (SCF/CDF)	G	938-0200	83	85	4,500	6,500	4,500	3,302	---	762	---	436
TECHNOSERVE, INC (TNS)	G	938-0201	83	86	2,800	2,800	2,380	2,192	420	608	---	---
PARTNERSHIP FOR PRODUCTIVITY (PFP)	G	938-0203	82	85	---	---	960	960	---	---	---	---
INTL INST RURAL RECONSTRUCTION (IIRR)	G	938-0248	84	86	2,375	2,375	1,575	1,330	400	300	---	345
FOSTER PARENTS PLAN (PLAN)	G	938-0251	84	86	3,243	3,242	1,300	800	1,500	2,000	---	442
HEIFER PROJECT INTERNATIONAL	G	938-0258	85	87	1,350	2,700	450	---	425	450	450	400
INSTITUTE FOR INTL DEV INC	G	938-0259	85	89	2,000	1,800	500	95	---	400	---	---
INTL VOLUNTARY SERVICE	G	938-0260	85	87	2,400	2,400	800	145	700	700	800	800
MEALS FOR MILLIONS (MFM)	G	938-0261	85	87	2,900	2,900	2,100	78	800	700	---	750
AGA KHAN FOUNDATION (AKF)	G	938-0265	85	87	1,000	1,970	335	78	300	300	335	300
AFRICARE	G	938-0266	85	87	690	690	230	36	230	250	230	300

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* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
COOP FOR AMER RELIEF EVERYWHERE (CARE)	G	938-0267	85	89	2,009	2,100	1,009	393	---	100	750	500
TOTAL FOR PROGRAM					29,667	40,212	20,339	12,467	4,775	7,473	6,540	5,843
GRANTS					29,667	40,212	20,339	12,467	4,775	7,473	6,540	5,843
LOANS					---	---	---	---	---	---	---	---
PROGRAM GRANTS (COST-SHARING)												
WORLD RELIEF CORPORATION (WRC)	G	938-XXX1	87	89	---	1,500	---	---	---	---	500	100
JOINT PVO/UNIV RURAL DEV CNTR (JPURDC)	G	938-XX63	87	89	---	600	---	---	---	---	400	200
WORLD VISION RELIEF AGENCY (WVRO)	G	938-XX64	87	89	---	2,850	---	---	---	---	1,000	300
WORLD VISION RELIEF ORGANIZATION (WVRO)	G	938-0202	84	87	2,200	2,200	1,222	722	850	900	---	700
US FOUNDATION FOR INTL SCOUTING (USFIS)	G	938-0205	83	85	975	975	975	865	---	110	---	---
WORLD RELIEF CORPORATION (WRC)	G	938-0233	83	85	1,400	1,370	1,370	771	---	599	---	---
JOINT PVO/UNIV RURAL DEV CNTR (JPURDC)	G	938-0240	84	86	888	887	587	240	155	150	---	100
PARTNERSHIP FOR PRODUCTIVITY (PFP)	G	938-0262	86	88	220	670	220	---	275	110	275	385
COORDINATION IN DEVELOPMENT (CODEL)	G	938-0263	85	87	1,400	1,400	400	140	515	400	500	500
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G	938-0264	85	87	2,700	2,330	1,270	157	560	800	1,035	900
TOTAL FOR PROGRAM					9,783	14,782	6,044	2,895	2,355	3,069	3,710	3,185
GRANTS					9,783	14,782	6,044	2,895	2,355	3,069	3,710	3,185
LOANS					---	---	---	---	---	---	---	---
VITAMIN A												
VITAMIN A	G	938-XX33	86	87	---	1,800	---	---	1,800	---	---	---

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*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - AGRICULTURE, RURAL DEV. AND NUTRITION

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
TOTAL FOR PROGRAM					---	1,800	---	---	1,800	---	---	---
GRANTS					---	1,800	---	---	1,800	---	---	---
LOANS					---	---	---	---	---	---	---	---
DEVELOPMENT EDUCATION												
DEVELOPMENT EDUCATION (BIDEN PELL)	G	938-0230	81	C	11,539	11,539	6,139	3,930	2,500	3,300	2,500	3,200
TOTAL FOR PROGRAM					11,539	11,539	6,139	3,930	2,500	3,300	2,500	3,200
GRANTS					11,539	11,539	6,139	3,930	2,500	3,300	2,500	3,200
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					50,989	68,333	32,522	19,292	11,430	13,842	12,750	12,228
GRANTS					50,989	68,333	32,522	19,292	11,430	13,842	12,750	12,228
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT					50,989	68,333	32,522	19,292	11,430	13,842	12,750	12,228
GRANTS					50,989	68,333	32,522	19,292	11,430	13,842	12,750	12,228
LOANS					---	---	---	---	---	---	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - HEALTH

PROJECT TITLE	* L PROJECT / NUMBER C	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
INSTITUTIONAL SUPPORT											
NATL COUNCIL FOR INTL HEALTH (NCIH)	G 938-0271	85	87	1,950	1,048	448	46	175	400	200	400
TOTAL FOR PROGRAM				1,950	1,048	448	46	175	400	200	400
GRANTS				1,950	1,048	448	46	175	400	200	400
LOANS				---	---	---	---	---	---	---	---
PROGRAM GRANTS (MATCHING)											
PROJECT CONCERN INTL (PCI)	G 938-XXX5	86	88	---	1,200	---	---	400	250	800	550
SALVATION ARMY WORLD SVC OFFICE (SAWSO)	G 938-XX23	87	89	---	1,500	---	---	---	---	750	200
AFR MED AND RESEARCH FDN (AMREF)	G 938-XX31	86	88	---	600	---	---	200	100	400	300
PROJECT HOPE (HOPE)	G 938-XX66	87	89	---	3,000	---	---	---	---	1,000	400
CATHOLIC RELIEF SERVICE (CRS)	G 938-0135	83	86	1,250	1,250	800	497	400	470	---	233
PROJECT CONCERN INTERNATIONAL (PCI)	G 938-0193	83	86	1,350	1,350	1,200	1,130	150	270	---	---
PGM INTRO ADAPT CONTRACEPT TECH (PIACT)	G 938-0242	83	85	350	350	350	266	---	84	---	---
SALVATION ARMY WORLD SRVC OFFICE (SAWSO)	G 938-0249	84	86	2,150	2,150	1,550	950	600	780	---	420
PROJECT HOPE	G 938-0252	84	86	3,300	3,602	---	---	500	1,500	---	1,771
COOP FOR AMER RELIEF EVERYWHERE (CARE)	G 938-0267	85	89	3,500	3,500	---	---	1,500	200	750	700
HELEN KELLER INTERNATIONAL (HKI)	G 938-0269	85	87	1,950	1,950	---	---	600	700	650	800
INTERNATIONAL EYE FOUNDATION (IEF)	G 938-0270	85	87	825	825	---	---	250	300	275	300

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ADVENTIST DEVELOPMENT AND RELIEF AGENCY	G	938-0273	85	87	1,035	1,035	365	34	335	400	435	500
TOTAL FOR PROGRAM					15,710	22,312	4,265	2,877	4,935	5,054	5,060	6,174
GRANTS					15,710	22,312	4,265	2,877	4,935	5,054	5,060	6,174
LOANS					---	---	---	---	---	---	---	---
PROGRAM GRANTS (COST-SHARING)												
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G	938-0235	82	84	1,351	1,351	1,351	911	---	440	---	---
PROJECT HOPE	G	938-0252	84	86	---	---	2,502	1,331	---	---	---	---
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G	938-0264	85	87	2,000	2,000	---	---	1,390	390	1,190	1,000
TOTAL FOR PROGRAM					3,351	3,351	3,853	2,242	1,390	830	1,190	1,000
GRANTS					3,351	3,351	3,853	2,242	1,390	830	1,190	1,000
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL												
TECHNICAL SUPPORT/CHILD SURVIVAL	G	938-0500	85	86	600	476	476	142	---	325	---	---
COOP FOR AMERICAN RELIEF EVERYWHERE (CAR	G	938-0503	85	95	2,340	2,164	2,164	---	---	750	---	800
WORLD VISION RELIEF ORGANIZATION (WVRO)	G	938-0505	85	95	690	690	690	36	---	200	---	200
HELEN KELLER INTERNATIONAL (HKI)	G	938-0506	85	85	1,325	1,325	1,325	---	---	300	---	500
ADVENTIST DEV RELIEF AGENCY (ADRA)	G	938-0508	85	85	888	888	888	26	---	250	---	250
SALVATION ARMY WORLD SVC OFFICE (SAWSO)	G	938-0509	85	85	1,531	1,531	1,530	85	---	500	---	500
PROJECT CONCERN INTERNATIONAL (PCI)	G	938-0510	85	85	1,026	1,025	1,025	29	---	300	---	300
MINNESOTA INTO HEALTH VOLUNTEERS (MIHV)	G	938-0513	85	85	419	344	344	11	---	150	---	150

[*] Refers to the planned project summary sheet

[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - HEALTH

CP 87-02

PROJECT TITLE	* L / $	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY85-		-ESTIMATED FY86-		-PROPOSED FY87-	
					AUTHO	PLANNED	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES
FOSTER PARENTS PLAN (PLAN)	G	936-0514	85	85	474	474	474	14	---	150	---	150
CATHOLIC RELIEF SERVICES (CRS)	G	936-0515	85	85	---	---	47	---	---	---	---	---
TOTAL FOR PROGRAM					9,293	8,917	8,963	341	---	2,925	---	2,850
GRANTS					9,293	8,917	8,963	341	---	2,925	---	2,850
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR BUREAU					30,304	35,628	17,529	5,506	6,500	9,209	6,450	10,424
GRANTS					30,304	35,628	17,529	5,506	6,500	9,209	6,450	10,424
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT					30,304	35,628	17,529	5,506	6,500	9,209	6,450	10,424
GRANTS					30,304	35,628	17,529	5,506	6,500	9,209	6,450	10,424
LOANS					---	---	---	---	---	---	---	---

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$ Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - CHILD SURVIVAL FUND

CP 87-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
CHILD SURVIVAL											
CHILD SURVIVAL	G 938-XX32	86	87	---	14,800	---	---	7,300	1,300	7,500	3,000
INTERNATIONAL EYE FOUNDATION (IEF)	G 938-0501	85	85	443	442	442	---	---	341	---	---
SAVE THE CHILDREN FEDERATION (SCF)	G 938-0502	85	85	3,000	2,870	2,870	90	---	1,000	---	1,000
INTERNATIONAL CHILD CARE (ICC)	G 938-0504	85	85	408	408	408	12	---	150	---	150
HELEN KELLER INTERNATIONAL (HKI)	G 938-0506	85	85	200	200	200	71	---	75	---	44
PROJECT HOPE (HOPE)	G 938-0507	85	85	700	700	700	18	---	300	---	250
CATHOLIC RELIEF SERVICES (CRS)	G 938-0515	85	85	315	315	315	---	---	200	---	115
TOTAL FOR PROGRAM				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
GRANTS				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
GRANTS				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
GRANTS				5,066	19,735	4,935	191	7,300	3,366	7,500	4,559
LOANS				---	---	---	---	---	---	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - EDUCATION AND HUMAN RESOURCES

PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
INSTITUTIONAL SUPPORT											
OPPOR INDUSTRIAL CENTERS INT'L (OICI)	G 938-0244	84	86	16,800	16,800	8,433	1,308	---	4,100	---	3,025
TOTAL FOR PROGRAM				16,800	16,800	8,433	1,308	---	4,100	---	3,025
GRANTS				16,800	16,800	8,433	1,308	---	4,100	---	3,025
LOANS				---	---	---	---	---	---	---	---
PROGRAM GRANTS (MATCHING)											
GOODWILL INDUSTRIES (GIA)	G 938-XX19	86	88	---	375	---	---	250	50	125	150
SALVATION ARMY WORLD SVC OFFICE (SAWSO)	G 938-XX23	87	89	---	1,500	---	---	---	---	250	200
GOODWILL INDUSTRIES (GIA)	G 938-0239	83	86	376	376	360	300	---	60	---	---
INTL INST RURAL RECONSTRUCTION (IIRR)	G 938-0248	84	86	---	300	---	---	300	100	---	200
TOTAL FOR PROGRAM				376	2,551	360	300	550	210	375	550
GRANTS				376	2,551	360	300	550	210	375	550
LOANS				---	---	---	---	---	---	---	---
PROGRAM GRANTS (COST-SHARING)											
OVERSEAS EDUCATION FUND (OEF)	G 938-XX22	87	88	---	975	---	---	---	---	350	100
OVERSEAS EDUCATION FUND (OEF)	G 938-0253	84	86	955	1,965	630	385	300	250	---	---
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G 938-0264	85	87	1,535	1,535	315	---	550	305	275	300
TOTAL FOR PROGRAM				2,490	4,475	945	385	850	555	625	400
GRANTS				2,490	4,475	945	385	850	555	625	400
LOANS				---	---	---	---	---	---	---	---

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - EDUCATION AND HUMAN RESOURCES

CP 87-02

PROJECT TITLE	*	L/G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR BUREAU						19,666	23,826	9,738	1,993	1,400	4,865	1,000	3,975
GRANTS						19,666	23,826	9,738	1,993	1,400	4,865	1,000	3,975
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT						19,666	23,826	9,738	1,993	1,400	4,865	1,000	3,975
GRANTS						19,666	23,826	9,738	1,993	1,400	4,865	1,000	3,975
LOANS						---	---	---	---	---	---	---	---

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUR FOR FOOD FOR PEACE AND VOL ASSIST											
INSTITUTIONAL SUPPORT											
SPECIAL ACTIVITIES	G 938-0250	84	C	---	3,423	1,155	648	1,150	1,250	1,200	700
TOTAL FOR PROGRAM				---	3,423	1,155	648	1,150	1,250	1,200	700
GRANTS				---	3,423	1,155	648	1,150	1,250	1,200	700
LOANS				---	---	---	---	---	---	---	---
PROGRAM GRANTS (MATCHING)											
SAVE THE CHILDREN FEDERATION (SCF)	G 938-XXX3	86	90	---	5,000	---	---	1,000	400	---	600
TECHNOSERV (TNS)	G 938-XXX4	86	90	---	3,000	---	---	790	200	865	600
ACCION INTERNATIONAL (AITEC)	G 938-XXX7	86	88	---	1,085	---	---	200	50	200	150
YOUNG MENS CHRISTIAN ASSOCIATION (YMCA)	G 938-XXX5	86	88	---	1,500	---	---	500	150	750	850
FOSTER PARENTS PLAN (PLAN)	G 938-XX57	87	90	---	1,000	---	---	---	---	1,000	300
YOUNG MENS CHRISTIAN ASSOCIATION (YMCA)	G 938-0177	83	85	2,300	2,200	2,200	1,350	---	540	---	310
ACCION INTERNATIONAL (AITEC)	G 938-0211	83	85	650	650	650	557	---	93	---	---
PAN AMERICAN DEV FOUNDATION (PADF)	G 938-0231	83	85	---	---	350	305	---	---	---	---
CENTER EDUC DEV POP ACTIVITIES (CEDPA)	G 938-0241	83	85	350	350	350	253	---	97	---	---
SALVATION ARMY WORLD SRVC OFFICE (SAWSO)	G 938-0249	84	86	1,350	1,350	750	461	500	500	---	389
NATL ASSOC PARTNERS OF ALLIANCE (NAPA)	G 938-0256	84	86	300	300	---	---	100	110	---	---
INSTITUTE FOR INTL DEV INC	G 938-0259	85	89	1,800	---	---	---	450	150	500	500
COOP FOR AMER RELIEF EVERYWHERE (CARE)	G 938-0257	85	88	5,675	13,675	2,209	---	---	1,750	---	500

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C Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

CP 87-02

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
WORLD WILDLIFE FUND (WWF)	G	938-0268	85	87	1,005	2,000	335	---	300	375	335	300
ADVENTIST DEVELOPMENT AND RELIEF AGENCY	G	938-0273	85	87	270	270	70	70	65	60	---	5
TOTAL FOR PROGRAM					13,700	32,360	6,914	2,995	3,905	4,475	3,650	4,504
GRANTS					13,700	32,360	6,914	2,996	3,905	4,475	3,650	4,504
LOANS					---	---	---	---	---	---	---	---
PROGRAM GRANTS (COST-SHARING)												
EPISCOPAL CHURCH USA (ECUSA)	G	938-XX67	87	89	---	900	---	---	---	---	300	100
TOWN AFFILIATION ASSOCIATION (TAA)	G	938-0212	83	85	749	749	749	561	---	188	---	---
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G	938-0235	82	84	8,768	8,768	8,768	7,127	---	1,641	---	---
EPISCOPAL CHURCH OF THE USA (ECUSA)	G	938-0254	84	86	500	485	325	155	160	230	---	100
FUND FOR MULTNATL MGT EDUCATION (FMME)	G	938-0255	84	84	250	250	250	180	---	70	---	---
COORDINATION IN DEVELOPMENT (CODEL)	G	938-0263	85	87	900	1,950	350	---	185	400	250	5
PRIVATE AGENCIES COLLAB TOGETHER (PACT)	G	938-0264	85	87	---	2,850	915	---	---	900	---	800
VOLUNTEERS IN TECH ASSISTANCE (VITA)	G	938-0272	85	87	1,800	3,600	600	100	550	500	600	400
TOTAL FOR PROGRAM					12,967	19,552	11,957	8,123	895	3,929	1,150	1,405
GRANTS					12,967	19,552	11,957	8,123	895	3,929	1,150	1,405
LOANS					---	---	---	---	---	---	---	---
OCEAN FREIGHT												
OCEAN FREIGHT	G	932-0106	46	82	126,858	126,858	126,858	117,408	---	9,450	---	---
OCEAN FREIGHT REIMBURSEMENT	G	938-0238	83	C	---	36,195	22,039	---	5,750	8,000	6,500	8,000

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

CP 87-02

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR PROGRAM				126,858	163,053	145,947	117,403	5,750	17,450	6,500	8,000
GRANTS				126,858	163,053	145,947	117,403	5,750	17,450	6,500	8,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				153,525	218,388	168,973	129,175	11,700	27,104	12,500	14,609
GRANTS				153,525	218,388	168,973	129,175	11,700	27,104	12,500	14,609
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				153,525	218,388	168,973	129,175	11,700	27,104	12,500	14,609
GRANTS				153,525	218,388	168,973	129,175	11,700	27,104	12,500	14,609
LOANS				---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - ECONOMIC SUPPORT FUND

CP 87-02

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
BUREAU FOR SCIENCE AND TECHNOLOGY													
OFFICE OF ENERGY													
CONVENTIONAL ENERGY TECHNICAL ASST		G	936-5724	80	87	2,600	5,100	2,600	2,207	1,435	1,000	1,500	1,689
TOTAL FOR PROGRAM						2,600	5,100	2,600	2,207	1,435	1,000	1,500	1,689
GRANTS						2,600	5,100	2,600	2,207	1,435	1,000	1,500	1,689
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR BUREAU						2,600	5,100	2,600	2,207	1,435	1,000	1,500	1,689
GRANTS						2,600	5,100	2,600	2,207	1,435	1,000	1,500	1,689
LOANS						---	---	---	---	---	---	---	---
BUR FOR FOOD FOR PEACE AND VOL ASSIST													
AMERICAN SCHOOLS AND HOSPITALS ABROAD													
ZABLOCKI OUTPATIENT CENTER		G	938-1335	85	85	12,000	12,000	6,000	206	---	5,794	---	---
TOTAL FOR PROGRAM						12,000	12,000	6,000	206	---	5,794	---	---
GRANTS						12,000	12,000	6,000	206	---	5,794	---	---
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR BUREAU						12,000	12,000	6,000	206	---	5,794	---	---
GRANTS						12,000	12,000	6,000	206	---	5,794	---	---
LOANS						---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT						14,600	17,100	8,600	2,413	1,435	6,794	1,500	1,689
GRANTS						14,600	17,100	8,600	2,413	1,435	6,794	1,500	1,689
LOANS						---	---	---	---	---	---	---	---

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*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

Centrally Funded
Bureau for Food for Peace and Voluntary Assistance

Agriculture, Rural Development and Nutrition - Office of Food for Peace

938-0700 Food for Peace Program Management - To provide the technical expertise and ancillary services needed to improve the planning and implementation of ongoing programs.

938-0701 Title II Program Enhancement - To improve the development impact of Title II resources by strengthening the capability of PVOS to design and implement essential complementary components of supplementary feeding programs.

938-0702 Food Data Needs Assessement - To improve collection of food sector data in drought-prone African countries in order to make more accurate and timely estimates of food aid needs.

938-0704 Title II Outreach - To provide logistic support so that private voluntary organizations may continue, expand and retarget Title II programs to reach people most in need.

938-x7x1 Private Sector Surplus Dairy Project - To provide funds for new development projects, worldwide, of private entities and cooperatives utilizing surplus dairy products from CCC inventories.

Agriculture, Rural Development and Nutrition - Office of Private Voluntary Cooperation

938-xxx1 World Relief Corporation (WRC)- To support WRC's program of local institution building. WRC's affiliates are active in community development and agriculture. Their program includes local staff training in project development and management.

938-xxx3 Save the Children Federation (SCF) - To improve the effectiveness of SCF's community development programming, in the sectors of agriculture and small-scale enterprise (community enterprises in income-producing activities), and health/nutrition and education. The program includes local SCF staff development, project funding, and planning and evaluation assistance in 26 countries.

938-xx26 Winrock International (WI) - To provide target organizations and groups engaged in animal agricultural development with: technical assistance services; informational materials; and training programs in areas related to livestock production.

938-xx30 Lutheran World Relief (LWR) - To stimulate individual communities to undertake their own development by participating in projects to meet basic human needs and support a network of local organizations committed to and capable of continuing development assistance.

938-xx33 Vitamin A Supplements - To assess the vitamin A problems in A.I.D. target countries and insure that populations suffering from vitamin A deficiencies receive adequate vitamin A supplements. These activities along with other complementary child survival interventions are intended to reduce morbidity and mortality among pre-school children.

938-xx63 Joint PVO/University Rural Development Center (JPURDC) - To bring together the complementary resources of universities and PVOs to effect successful rural development using water harvesting and aquaculture as the core intervention for village and area development.

938-xx64 World Vision Relief Organization (WVRO) - To support a new stage of development work by WVRO - the Development Assistance Center (DAC Program) - which is an outgrowth of the earlier COLT program.

938-0230 Development Education Program - To encourage, support and expand the ongoing work of private voluntary organizations (PVOs) to deal with world hunger and related development issues as mandated by the Biden-Pell amendment.

938-0258 Heifer Project International (HPI) - To support agricultural/livestock development projects including the local purchase of livestock, physical facilities, equipment and supplies and the promotion of personnel and information exchange.

938-0260 International Voluntary Service (IVS) - To provide management and skills training to host organizations. This includes home textile production, small-scale irrigation, health worker training, agricultural extension and resettlement programs to improve their capability to deliver services to the rural poor.

938-0262 Partnership for Productivity International (PfP) - To foster rural small scale enterprise development by establishing local business advisory institutions and provide entrepreneurs the means with which to start businesses, particularly access to credit.

938-0263 Coordination in Development (CODEL) - To promote collaborative efforts in overseas development and support of community level projects carried out by local and intermediary institutions.

938-0264 Private Agencies Collaborating Together (PACT) - To fund development projects of the 25 U.S., Latin American, and African private agency members and to improve the capabilities of member agencies and selected non-member agencies to respond to the needs of cooperating indigenous agencies in LDCs.

938-0265 Aga Khan Foundation USA (AKF) - To implement the Aga Khan Rural Support Program which will assist village people to develop and implement self-help, income-generating projects.

938-0266 Africare - To support development of small scale agribusinesses which produce, process and/or market vegetables, fruit staple grains, poultry and livestock, and support rural enterprises such as grinding mills and manufacturing of farm implements.

938-0267 Cooperative for American Relief Everywhere (CARE) - To support CARE's multisectoral program and development strategies in agroforestry, microenterprise development, primary health care, and food aid. This grant will fund projects in A.I.D.-assisted countries in these sectors and establish regional technical assistance capability.

Health - Office of Private Voluntary Cooperation

938-xxx5 Project Concern International (PCI) - To continue and expand support of low-cost, community-based health services systems through training of community health workers and to assist local organizations to design and initiate health care programs.

938-xx23 Salvation Army World Service Office (SAWSO) - (a) To include primary health care into ongoing health delivery programs in Pakistan and Bangladesh; (b) to train Salvation Army Home League and community women in the child survival interventions in Haiti and Kenya; (c) to integrate these and other preventative health care into the Salvation Army's health programs.

938-xx31 African Medical & Research Foundation (AMREF)- To improve the health of rural people in four African countries lacking access to basic health services. The outreach of existing mobile health units will be expanded through correspondent courses, workshops and publications targeted on local, district and regional health teams.

938-xx66 People-to-People Health Foundation, Project HOPE - To increase access to immunization and promote the effective use of oral rehydration therapy (ORT) in target communities.

938-0269 Helen Keller International (HKI) - To integrate eye care and basic rehabilitation services into the rural health and social service systems of selected countries through the provision of technical assistance, training and equipment.

938-0270 International Eye Foundation (IEF) - To conduct research into the prevalence, etiology and geographic distribution of eye disease; carry out training in preventative and curative eye care; and conduct operational research into the development of community-based programs in the prevention of blinding eye disease.

938-0271 National Council for International Health (NCIH) - To provide support to NCIH's program that will increase and enhance the technical and managerial capabilities of U.S. private sector agencies and health professionals engaged in international health development activities.

938-0273 Adventist Development and Relief Agency (ADRA) - To improve the well being of mothers and children through the provision of a wide range of technical and material resources in such areas as community development, agriculture, environmental health/sanitation, maternal/child health, nutrition, low-cost housing, literacy and income generation.

Child Survival - Office of Private Voluntary Cooperation

938-xx32 Child Survival Fund - To provide the resources through PVOS to address the special health needs of children and mothers by fostering the use of simple, available technologies that greatly enhance child survival prospects in poor countries.

Education and Human Resources - Office of Private Voluntary Coperation

938-xx19 Goodwill Industries (GIA) - To strengthen income generating programs for the mildly handicapped in seven countries with USAID missions.

938-xx22 Overseas Education Fund (OEF) - To support OEF's applied research on strategies to enhance earning of women through self-employment and job skills training.

938-xx25 International Institute of Rural Reconstruction (IIRR) - To support IIRR's program of field operational research, international training and extension. National rural reconstruction movements (NRRMs) affiliated with the training center and "social laboratory" in the Philippines have been established in six countries in Latin and Central America, Asia & Africa.

Selected Development Activities - Office of Private Voluntary Cooperation

938-xxx4 Technoserve, Inc. (TNS) - To provide technical, managerial and financial assistance to individuals and groups to establish and strengthen community-based enterprises.

938-xxx7 Accion International (AITEC) - To develop the capabilities of local organizations in Latin American countries to plan and execute employment, income generating and management programs for micro-business enterprises in urban and rural settings.

938-xxx8 Young Men's Christian Association (YMCA) - To support the U.S. YMCA's international development program of assistance to LDC YMCA's to strengthen local institutional capacity and support community projects, primarily in education and vocational training.

938-xx62 Foster Parents Plan (PLAN) To support small-scale, income generating projects in selected LDCs in order to increase the incomes of local populations and enable them to become increasingly self-sufficient in meeting their own needs.

938-xx67 Episcopal Church USA (ECUSA) - To build and strengthen national development planning offices of the Episcopal Church in five countries by providing training, staff support and funding for development projects.

938-0238 Ocean Freight - To enable registered PVOs and the American Red Cross to ship donated or purchased supplies for humanitarian and development programs overseas.

938-0250 Special Activities - To provide funds in support of evaluations, studies, projects, workshops and conferences to strengthen U.S. PVOs engaged in development activities.

938-0259 Institute for International Development, Inc. (IIDI) - To strengthen and expand IIDI's network of country-level affiliates which provide loan capital and training to entrepreneurs in Africa, Asia and Latin America. Enterprises assisted include small businesses such as furniture makers, shoemakers, tailors, auto mechanics and print shops.

938-0268 World Wildlife Fund (WWF) - To develop a coherent set of field projects linking management of natural resources and preservation of biological diversity with human development needs in and adjacent to wild land areas.

938-0272 Volunteers in Technical Assistance (VITA) - To strengthen VITA's appropriate technology information collection/dissemination system.

OFFICE OF THE SCIENCE ADVISOR

Responsible Officer:

Howard A. Minners, M.D.

HOWARD A. MINNERS
Science Advisor

WORLDWIDE

PROGRAM SUMMARY *(In millions of dollars)*		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
10.0	10.3	9.5 1/

1/ Requested under Section 106(e)(1) of the Foreign Assistance Act for the Energy, Private Voluntary Organizations and Selected Development Activities account

SCIENCE ADVISOR

OVERVIEW

The Office of the Science Advisor seeks to take advantage of breakthroughs and advances on the cutting edge of science and to explore the potential uses of new and particularly innovative technologies that are related to international development. Simultaneously, the Office seeks to strengthen the capacity of less developed countries (LDCs) to apply these new technologies. The program emphasizes innovation, e.g., biotechnology, genetic engineering, tissue culture, immunochemistry, biological control of disease-carrying organisms, the development of new food and tree crops, etc. This modest program is an important instrument of A.I.D.'s policy to collaborate with LDC scientists in establishing priorities for future programs of technology transfer. The program began in FY 1981 as the Program for Scientific and Technological Cooperation (PSTC). The purpose was to take a more innovative and collaborative approach and to seek alternative solutions to the problems and processes of development and technology transfer. The funds provided are in addition to those made available for regular research and technical assistance under other A.I.D. functional accounts.

The program has grown quickly to involve scientists from over 50 developing countries. While their scientific approaches may be new, the problems they are researching are often long-standing and intractable, e.g., control of disease-carrying mosquitoes, plant resistance to disease, control of respiratory diseases, low cost enrichment of soils, recycling of wastes, development of new vaccines and diagnostic tests, elimination of disease-carrying snails, and alternatives to petroleum-based fertilizers. Over 2700 requests for funding have been submitted to PSTC to date; the majority are from LDC scientists who are participating for the first time in an A.I.D. research program. The growing LDC interest in the program, in the face of rigorous scientific review criteria, demonstrates an increasing readiness of LDC institutions to contribute to their own development.

POLICIES

Relevant research contributes to accelerated economic growth. Accelerated social and economic growth in LDCs is a central theme upon which A.I.D.'s specific policies rest. To develop and transfer technology for long term sustainable growth in LDCs, the PSTC program specifically seeks innovative ideas for application in selected LDCs. Concurrently, the PSTC program strives to strengthen competence among researchers in developing countries.

Current policy is to focus on particularly promising research in target countries. Hence approximately 60% of PSTC funds are used for research in biotechnology-immunology; plant biotechnology; chemistry for world food needs; biomass resources and conversion technology; biological control of disease-bearing organisms and a new area, biological diversity. The remaining 40% of the funds are used to identify underexploited resources of potential economic value such as grain amaranth; biological nitrogen fixation; fast growing trees; mosquito vector field studies; rapid epidemiologic assessment methods; and acute respiratory infections in children.

In keeping with its exploratory role, this program supports the initial research phase of chosen topics. Program activities are concerned primarily with the so-called hard sciences, e.g., biology, chemistry and engineering.

DESCRIPTION OF PROGRAM

I. Competitive Research Grants

A.I.D. requests $5.5 million for this competitive research grants program in FY 1987. In FY 1986 A.I.D. plans to obligate $6.3 million for the 30-35 proposals to be selected from over 500 submitted for competitive consideration. In FY 1985 A.I.D. obligated $6.0 million. Of this amount, $5.7 million was for 52 proposals under the Innovative Scientific Research Project (936-5542) and $0.3 million for technical assistance activities under the Strengthening Scientific and Technological Capacity Project (936-5543).

Proposals are sought in accordance with guidelines which emphasize three objectives:

- To stimulate and support new research approaches to current or emerging development problems;
- To assist LDCs in building the scientific and technological capacity they need to attack such problems on their own; and
- To involve LDC scientists and scientific institutions more directly in science planning, information exchange and technology transfer.

WORLDWIDE

Proposals are sought principally within the following six priority research modules:

1. Biotechnology/Immunology, in human or animal systems, including recombinant microbiology (genetic engineering), monoclonal antibodies and related immunological techniques for better and more rapid diagnosis, immunotherapy, vaccine development, and related health applications.

2. Plant Biotechnology, including tissue culture research, protoplast fusion, somaclonal variation, and recombinant microbiology for use in agriculture, e.g., gene expression, transfer and regulation; drought tolerance; insecticide and herbicide resistance, etc.

3. Chemistry for World Food Needs, particularly biochemical growth regulation in plants and animals, soil chemistry, soil-plant-animal relationships (biochemistry), innovative food chemistry, and the chemistry of integrated aquaculture systems.

4. Biomass Resources and Conversion Technology, emphasizing new and improved processes for producing fuels, fodder and chemicals from biomass, especially better digestion and use of lignocellulose, improved thermochemical cleaning and storage of producer gas, and development of under-utilized land or marine biomass resources.

5. Biological Control of human schistosomes and associated snail vectors, and plant crop viruses and their arthropod vectors. Emphasis is given to biologically and ecologically acceptable approaches for the interruption of disease transmission based on innovative studies of microorganism-host-vector relationships encompassing genetics, biochemistry, immunology, pathophysiology, reproductive biology (juvenile hormones, pheromones), natural predation, ecology and pathobiology of the pathogens themselves.

6. Biological Diversity will be a new research module for FY 1986 to develop additional knowledge and technology in this increasingly important area. The substantive focus of this research module will be derived from the results of the Congressionally mandated study of biological diversity and PSTC and NAS experience with previous projects in genetic resources research.

In addition to the foregoing, there will be some flexibility to consider a very small number of proposals in engineering technology, and in earth, atmospheric and marine sciences. Proposals funded in these additional areas may form the basis for establishing future research modules.

The proposals undergo internal and external scientific peer review and are specifically evaluated for scientific merit, relevance to development, innovative character, and LDC capacity-building aspects. Research proposals from LDC institutions which have good potential but inadequate design may receive modest technical assistance from the Strengthening Scientific and Technological Capacity Project to enhance their competitiveness.

Response from the scientific community has been most enthusiastic and is increasing. In FY 1981 120 submissions were received; more than 600 were received for the FY 1985 competition. Altogether some 2700 submissions have been received through October 1985, with the majority now originating in LDCs.

Two-thirds of the proposals funded in FY 1985 were awarded directly to LDC institutions. An additional one-third involves active LDC collaboration with U.S. scientists. Research topics included: rapid diagnosis of Leishmaniasis (Peru); halotolerant yeast for the production of alcohol fuels (Thailand); mass propagation of papaya plants (Sri Lanka); epidemiology of rabies-related Mokola virus (Zimbabwe); tissue culture for plantain and banana (Panama); a fluid bed gasifier/engine system using rice hulls (Philippines.)

II. LDC Research Networking

In FY 1987, A.I.D. requests $4.0 million for the Applying Science and Technology to Development project (936-5538) administered by the National Academy of Sciences. Four million was budgeted for FY 1986. In FY 1985, $4.0 million was obligated for this project.

By the end of 1987 the NAS will have an active portfolio of 80-100 subgrants. The NAS solicits proposals from LDC institutions which are judged to have the competence, interest and local conditions for best contributing to the objectives of the research networks. External experts review proposals for scientific merit. A committee of scientists from developing countries and the United States approves the proposals that are funded. About one-third of the proposals generated in this process have been funded. From the time of institution preselection through the end of the research grant, the NAS provides a range of support services to the principal investigator: help in project design; workshops where 10-14 principal investigators in the same research area meet to exchange information; and, when required, short-term training in innovative research technologies.

For FY 1987 the NAS program will fund the following six networks of LDC research:

1. Grain Amaranth, which was widely grown in pre-Columbian America, was discouraged by the Spanish conquerors because of its role in Aztec sacrificial rituals. Although traditional farmers in remote areas have continued to rely on this "poor man's crop," scientists have ignored it until very recently. The grain has high nutritional potential and grows well in semi-arid climates where many other food crops are unproductive. Nine grants have been

approved to institutions in Guatemala, Kenya, Mexico, Peru, and Thailand to increase the productivity of this plant through germ plasm selection and specific field trials.

2. The network on Fast-growing Trees deals primarily with leguminous trees and other species which form symbiotic relationships with soil microbes that fix nitrogen from the air. It has been expanded to deal with other fast-growing tropical species. Twelve grants have been approved in Chile, the People's Republic of the Congo, Kenya, Malawi, Mexico, Panama, the Philippines, Senegal, Sudan, and Thailand.

3. The network on Biological Nitrogen Fixation is searching for ways to reduce or eliminate the need for petroleum-based nitrogen fertilizer for legumes and hopefully other crops as well. Fifteen grants have been approved to date in Egypt, Guatemala, Haiti, Indonesia, Kenya, Malaysia, Mexico, Pakistan, Senegal, Thailand, Panama, and the Philippines.

4. The Mosquito Vector research network will study the ecology of mosquitoes which transmit malaria and viral diseases such as dengue and yellow fever, and develop new vector control mechanisms such as natural predators and pathogens of the vectors. Sixteen institutions in Columbia, Guatemala, Kenya, Malaysia, Mexico, Pakistan, Panama, Peru, Senegal, Sri Lanka, Thailand and Uganda are participating in this network.

5. The network on Rapid Epidemiological Assessment will develop low-cost, easily implemented, approaches to the identification of public health problems in developing countries. Institutions in Chile, Ecuador, Egypt, Guatemala, Peru, the Philippines, and India, are working in this area.

6. The sixth network - Acute Respiratory Infection in Children - has approved seven subgrants with activities in such countries as Guatemala, Papua New Guinea, Uruguay, Kenya, Nigeria and the Philippines, Bangladesh, Colombia, Chile, India, Pakistan, and Thailand. While respiratory disease is a major killer of children in developing countries, public health authorities lack information on which specific disease-causing organisms are incriminated as the major killers. This network is beginning to provide the basic data to allow more effective control measures to be taken.

While the first grants in this program were only made in 1982; some promising results have already been obtainined. Luis Sumar, of the University of Cusco in Peru has developed a new, high-yield strain of amaranth. This new strain, named after Noel Vietmeyer (the NAS scientist who drew world attention to the potential of amaranth), is being distributed to farmers in the altiplano of Peru to replace their lower-yielding traditional varieties. In Pakistan, where large areas of land are unusable due to their high salinity, Kauser Malek has succeeded in developing a new pasture system using Kaller grass and associated nitrogen-fixing soil bacteria. Not only is the Kaller grass turning wasteland into pasture and adding nitrogen to the soil, but it also reduces salinity in the upper layers of the soil. Malek and his colleagues, therefore, hope that conventional crops can be eventually grown in rotation with Kaller grass on highly saline soils.

The NAS also carries out selected studies, workshops and other activities related to the development of LDC research programs, including a major dissemination effort of NAS findings. Examples include: 1) publications on Amaranth and jojoba, a desert shrub of economic promise for its high quality oil, 2) a workshop (November 4-7, 1985) on applications of microcomputers to educations in developing countries, and 3) publication on opportunities in marine science and technology for developing countries.

WORLDWIDE

PROGRAM SUMMARY (In millions of dollars)		
FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
2.0	4.8 1/	4.8

1/ Appropriated for FY 1985 by separate Congressional action under P.L. 99-190, the FY 1986 Continuing Resolution.

U.S.-ISRAEL COOPERATIVE DEVELOPMENT RESEARCH PROGRAM

OVERVIEW

The U.S.-Israel Cooperative Development Research (CDR) Program is a separate initiative linking Israeli and developing country scientists in joint research projects. In FY 1987 A.I.D. requests $4.8 million for this program. $2 million was authorized from Energy and Selected Development Activities, Development Assistance in FY 1985 and made available for Science and Technology, Development Assistance for the initial year of funding for the U.S.-Israel CDR Program (936-5544).

For several decades, Israel has carried out a process of rapid agricultural growth and rural development based largely on technological innovation. The U.S. Congress has expressed an interest in facilitating the application of this Israeli experience and technical expertise to help solve problems that confront less developed countries (LDCs).

POLICIES

The U.S.-Israel CDR Program is distinctly different from existing A.I.D. programs in that it provides U.S. funding for cooperative research involving Israeli and LDC scientists on significant LDC problems, thereby strengthening the capability of LDC scientists to do such research. The Program will fund cooperative Israeli-LDC research proposals up to $150,000, initiated by either LDC or Israeli scientific institutions. Projects will generally be 2-3 years duration. Investigators may be from universities, government laboratories or the for-profit private sector.

U.S.-Israel CDR seeks innovative research ideas in the natural sciences and engineering that aim to solve serious development problems. CDR will concentrate on the initial, particularly innovative phase of an investigation. Renewals of the same research project are not currently contemplated.

DESCRIPTION OF PROGRAM

It should be noted that the U.S.-Israel CDR is not focused on the economic development of Israel but emphasizes areas in which Israeli research interests and expertise are particularly valuable to LDCs. These include, but are not limited to: arid lands agriculture, plant biotechnology, biotechnology related to human and animal tropical diseases, aquaculture, biological vector control, genetic diversity, and earth sciences.

The exact number of grants awarded under this program depends on the availability of funds and on the amounts requested. However, it is anticipated that between 25-30 projects will be funded in FY 1986, and a comparable number in FY 1987.

It is intended that applying Israeli research expertise cooperatively to problems facing LDCs will help LDCs build the scientific and technical capacity they themselves need to address their own problems.

During the first year of the CDR program several promising activities were initiated. In agriculture, projects are underway: for minimizing the incidence of cassava mosaic virus by providing an efficient and simple way to control the whitefly vector; for improving genetic material of wheat genomes to better resist "take-all" disease; for developing male hybrid fish (tilapia) for aquaculture; for developing biocontrol agents against soil-borne plant pathogens; for biologically controlling mosquitoes with bacteria; for developing drought resistant wheat; for improving sesame cultivars by enhancing genetic variability; for developing a new method of shelling cashew nuts; for improving fruit and nut crops in Botswana; for optimizing nitrogen fertilization of rice through use of water fern azolla; and for controlling coffee rust with natural parasitic microbes.

In nutrition a project is underway to investigate the use of the naturally occurring isotopes of carbon, nitrogen and hydrogen as indigenous tracers for studying the flow of nutrition in humans. In the field of environmental engineering a project is underway to develop an anaerobic biological system for processing industrial wastes in ponds.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CENTRALLY FUNDED - SELECTED DEVELOPMENT ACTIVITIES

CP 87-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
OFFICE OF THE SCIENCE ADVISOR											
OFFICE OF SCIENCE AND TECHNOLOGY											
APPLYING S AND T TO DEVLPMNT (NAS) - I	G 936-5538	81	87	36,000	36,000	25,209	19,845	4,000	6,500	4,000	5,500
INNOVATIV2 SCIENTIFIC RESEARCH	G 936-5542	81	C	---	---	24,176	14,701	6,026	5,000	5,173	5,100
STRENGTHENING S AND T CAPACITY	G 936-5543	81	C	---	---	2,288	1,892	300	300	300	300
US/ISRAEL PRG FOR COOP DEV RESEARCH	G 936-5544	85	C	---	---	2,000	56	4,785	1,500	4,785	2,500
TOTAL FOR PROGRAM				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
GRANTS				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR BUREAU				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
GRANTS				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR ACCOUNT				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
GRANTS				36,000	36,000	53,673	36,494	15,111	13,300	14,258	13,400
LOANS				---	---	---	---	---	---	---	---

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[*] Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.